One way to know that you're doing the right thing [1]

Written by **Tim Worstall** [2] | Saturday 2 March 2013

Is to look at peoples' reactions to what you're doing. If, for example, you decided that you wanted to clean up the MPs' expenses system and every MP then started howling about how we mere ignorant citizenry aren't supposed to control them then we'd know that we were on the right track. Similarly, if every criminal in the country (to the extent that this is a different group from MPs) starts to complain about the length of sentences after just and righteous trials then you would at least begin to suspect that you might have created sentences which have a deterrent effect.

And when you're doing supply side reforms to the economy if you start to hear loud wailing from those suppliers being reformed then you've got a pretty good indication that you are achieving your goal. As with this letter to the Telegraph [3]:

> As doctors and health-care workers, we are concerned about the Government?s proposed secondary legislation (under Section 75 of the Health and Social Care Act) to force virtually every part of the English NHS to be opened up to the private sector to bid for its contracts. These regulations were proposed on February 13 and will become law on April 1 unless MPs first insist on a debate and then vote them down. Parliament does not normally debate or vote on this type of regulation, but it is possible. We urge parliamentarians to force a debate and vote on this issue to prevent another nail in the coffin of a publicly provided NHS free from the motive of corporate profit.

There then follows 1,000 or so signatures. Which is, as I say, a signal that something is going right. The aim and point of the NHS reforms is indeed to introduce a market. Competition among suppliers that is. The reason for doing this is that in the absence of competition the producer interest will dominate, not that of the consumer. This is why we insist upon more than one electricity supplier in the economy, welcome that there are many sources of food (whether trivially in shops or more importantly from many different farmers and producers), sell off four licenses for mobile telephony at a time, not just one.

We desire to have this competition because it stops that producer interest from ossifying and then taking over the entire system. Very much to the detriment of the consumer who is the person we're actually concerned with.

As a result we've got those producers howling about how just ghastly it is that people will be able to compete with them. Screaming about how undignified it is that such august personages might have to consider what consumers want rather than what producers might deign to provide.

Great eh? It's working!

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[2] http://www.adamsmith.org/taxonomy/term/5778
[3] http://www.telegraph.co.uk/comment/letters/9901077/Doctors-concerns-over-NHS-contracts-being-put-up-for-sale.html
[4] http://disqus.com/?ref_noscript
[5] http://disqus.com