

[Zero Base Policy](#) [1]

Written by [Blog Editor](#) [2] | Monday 14 September 2009



In our latest report [Zero Base Policy](#) [3], Dr Madsen Pirie argues that minor changes to existing policies is no longer an option, given Britain's dire economic and social fabric. Instead the need is for "zero base" policies to provide new and effective ways of achieving policy objectives.

Topping the agenda is economic change. Dr Pirie has set out measures to turn Britain from a high tax, high debt economy into one on the virtuous circle of low taxes and increasing growth and revenues. The Treasury's 'static' model of the economy needs to be rejected in favour of a 'dynamic' one, which factors in the growth impact of lower taxes.

As in previous reports we propose to lift the low paid out of income tax by raising its starting threshold to £12,000 p.a., corresponding to the minimum wage, or about half the average wage. This eliminates the need for vast welfare transfers to low earners by letting them instead keep what they earn. At the top end the ASI proposes to expand the tax base by successively raising the threshold for the 40% rate until no-one pays it. Local finance needs overhauling, replacing Council Tax by local sales taxes as in the USA, and setting business rates locally. Local budgets should require popular vote approval before coming into effect.

A one-year judicial commission should be set up to review civil liberties and make recommendations. Public body CCTV surveillance needs to be limited to police and security services, and for anti-terror powers must be restricted to cases of suspected terrorism. Also, government policy on drugs has proved a failure, and need a total rethink. Most narcotics should be made available at medical centres, and the production and sale of recreational drugs legalized under controlled conditions.

The biggest opportunity for reform is in education. Parents should of course be permitted to use their child's education allowance at *any* school which is non-selective and requires no additional top-up fees. Regulation can be addressed through the use of 'sunset' clauses under which regulations expire unless specifically renewed, and for regulation to be implemented by case law, with the findings of tribunals and juries filling in the details of broad statutes.

[Zero Base Policy](#) [3] contains 33 radical objectives including the abolition of regional tiers of government and agencies, and the phasing out of most capital taxes.

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[1] <http://www.adamsmith.org/blog/politics-and-government/zero-base-policy>

[2] <http://www.adamsmith.org/taxonomy/term/5808>

[3] <http://www.adamsmith.org/images/stories/zero-base-policy-FINAL.pdf>

[4] http://disqus.com/?ref_noscript

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