

## [Four alternatives to the statist quo](#) [1]

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Yesterday I spoke at Haberdashers' Aske's boys school, with students from the girls school visiting for the day. It was at a seminar on economics and business. My theme was that in many areas of current economic and social policy there is a conventional wisdom and an alternative approach. I went through four areas where this is true.

Firstly in university applications, it is assumed that standards must be lowered to admit more people from poorer backgrounds into good university places. I pointed out that this would lower standards, and diminish the standing of UK universities. Better, I suggested, to put extra effort into improving schools so that disadvantaged bright students can score the grades to gain university admission without needing preferential treatment.

Then I suggested that the "live simply" message of many environmentalists would be far less effective than generating the resources and the technology to achieve our goals with a smaller environmental footprint.

The third area, that of getting the rich to pay a larger share of the tax bill, could be achieved, I argued, by lowering rates. In the past this has brought in more revenue and had the rich paying a higher share of the total. At the same time we should be raising the threshold to take low earners out of income tax altogether.

My fourth point was on the crisis, which I suggested had been caused not by greedy bankers taking reckless risks, but by politicians and central banks trying to smooth the business cycle and to extend home-ownership to those who could not really afford it.

At the very end I added the fact that we give dribs and drabs of overseas aid, while denying poorer countries by barriers and tariffs the ability to sell in our markets, the only thing that has actually made poor countries rich. We should buy their produce instead of handing out cash to their governments.

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