This lecture is part of the Department of Politics’ celebrations of its 40th anniversary. I have taken the opportunity to undertake a historical retrospective and comparison. I haven’t gone all the way back to 1972 but rather to 1979, when a Conservative government led by Margaret Thatcher came to power. The reasons for focusing on 1979 are rather obvious, as it was a signal point in recent British history. But I also have a personal reason for choosing that year, as I arrived in the UK in 1979. Reading about the Thatcher era has been a nostalgic process for me. I was a postgraduate student and I was quickly caught up in the rash of protest activities that marked that time. Of course the style of political protest was different then. We did street theatre rather than making videos, and in place of the twitter feed was the lapel badge, which carried a pithy slogan about the latest topical issue. We were excited to find a place to make our own badges, and my friends and I got to work composing our own personally-tailored slogans. My badge read: ‘Keynesian demand management policy now!’ You can see why, with this instinctive grasp of the catchy phrase, I ended up in academia.

My title plays of course on Marx. Marx writes in the 18th Brumaire of Louis Bonaparte: ‘Hegel remarks somewhere that all great world-historic facts and personages appear, so to speak, twice. He forgot to add: the first time as tragedy, the second time as farce.’ Marx was referring respectively to Napoleon I and to his nephew Louis Napoleon (Napoleon III).

It is tempting to substitute the names of Thatcher and Cameron for the two Napoleons, but this is not a lecture about personages – politicians – but about policies. It was the announced policy of the Conservatives in 1979 to roll back the state and cut government expenditure, and it is the announced policy of the Coalition today that we must do the same thing all over again. What is interesting of course about the idea of history repeating itself is that the 2nd time is affected by the legacy of the first, and what I want to do this evening is to identify that legacy and its consequences.
My main argument is this. The Thatcher government had a plan for rolling back the state based on a clear philosophy: that everything that could be privatised would be privatised, leaving only a residual role for the state in securing the living standards of the population. What this meant specifically in the area of social security, which is what I will focus on tonight, is that the state should provide just the minimum of security in the form of means-tested benefits. The norm should be that the market is the principal provider of welfare – so, for those of working age, a so-called flexible labour market provides the requisite employment opportunities; for those above working age, private pensions would be the solution to the problem of security in old age.

This is based on a clear enough philosophy about the role of the state and the preferability of the market as an institution for increasing the wellbeing of the population, but it is known to have a major problem at its heart. The problem is that the residual provision of welfare by the state affects incentives to engage in market transactions. On the political right this is expressed in the often-heard claim that ‘the welfare state distorts the market’. One solution is to suppress the incentive problems through coercion – by restricting people’s choices in the market so they can’t do perverse things. What I will argue tonight is that the previous Conservative government had a coercive policy for dealing with unemployment, and this Coalition government has revived and extended this coercive policy. But when it comes to old age provision, the free market philosophy of the 1979 Conservative government has transmuted into a paternalistic policy under this government. I have various criticisms to offer of this turn to libertarian paternalism, but given that my topic is austerity, the criticism that I focus on is that this government’s paternalistic old age policy is costly and risky. The government is locked on a path of promoting private welfare through a close embrace with the financial services industry, but this is really misguided and actually also quite unnecessary.

Let me begin though with some observations to set the historical scene. In 1979, Britain had only recently had to obtain financial support from the IMF (in 1976), and one legacy of that episode was that the management of public expenditure was made considerably more rigorous. In the early 1970s, there had been the embarrassing
episode of the ‘missing billions’, when expenditure outturns repeatedly exceeded projections. Throughout the 1980s, the administrative process of government expenditure control was greatly improved, and the system is now quite sophisticated.

However, despite administrative improvements, Mrs Thatcher still described expenditure control as ‘running up the down escalator’ – in other words, there were great forces in motion to increase government expenditure even while decisions were made to reduce it. The primary force running against the Thatcher government was social security spending. Again today, control of social security spending seen as a major issue by the government.

In other words, the force of the escalator is still with us. However, in some respects it seems considerably weakened. In the Thatcher era, unemployment was a big driver of the escalator. Unemployment rose from 1m to 3m in just a few years, and then remained stubbornly high for much of the 1980s. The government pushed through a great number of salami-slicing reforms, and they had a significant cumulative effect on the coverage and level of unemployment benefits. In particular, insurance-based entitlements were cut. Nonetheless, the social security bill remained stubbornly high, with the weight of expenditure shifting more and more towards the means-tested benefits.

Turning to the Coalition – we don’t see unemployment driving social security spending in the same way. In fact the effect of unemployment on social security expenditure has changed very markedly. We can see this by comparing the surveyed level of unemployment with the claimant count - the number claiming Job Seekers Allowance. During the 1980s, the survey measure and the claimant count tracked each other quite closely. Since the early 1990s, the measures have become increasingly detached. There are now a startling one million more people who are searching for work and available than are receiving JSA.
How has this happened? I mentioned that the Conservative government had a clear plan – to reduce provision by the state to the means-tested minimum and promote private provision. In some ways, the graph reflects the implementation of that plan. Means-tested benefits are not generally payable when one or other partner in a two-adult household is still working. Insurance benefits are payable, but they have been sharply curtailed in duration and generosity. The response of the social security system to the rise in 2-earner households has been to withdraw the insurance that used to be provided against one partner losing their income: the household unit is now on its own, with each partner providing security to the other. Risk is borne by the household rather than being distributed collectively.

This is a policy that the current Coalition government is proposing to extend significantly, by putting a time limit on another important insurance benefit – what used to be called incapacity benefit and is now Employment and Support Allowance. So there will be a further privatisation of risk, although this is of course privatisation to the family, not to the market.

Another part of the explanation of the decline in JSA receipt is that benefits are now subject to more coercive administration. It is difficult for people whose availability for work is restricted in some way to remain eligible for benefits. Receiving benefits is often accompanied by requirements to attend work programmes. The administrative infrastructure of welfare-to-work has been beefed up, partly by putting large areas in the hands of private providers.

Of course welfare-to-work programmes continued under Labour; no political party is prepared to let people stay on unemployment benefit, although increasing numbers stayed on incapacity benefit instead. And Labour’s expansion of tax credits actually constituted a fairly liberal income support policy, because it allowed people to take on part-time mini-jobs and continue to receive some support from the state, without questions being asked about whether they might work more, longer hours or seek higher pay. The Labour government preferred to support low-income households by augmenting their in-work income through the tax credit system, rather than raising out of work benefits. By concentrating on in-work provision, redistribution could be increased without the anti-scrounger rhetoric of the right being mobilised.
The Coalition government is in the midst of reversing this policy. It has cut tax credits significantly, and also increased the work requirements for eligibility. Soon the government will merge tax credits with benefits into the new system of Universal Credit. Sometimes the government seems rather keen to tell us that Universal Credit will change nothing, but actually it has potential to change the level of compulsion and administrative control significantly. People who are working while also receiving income from the state will be in the administrative and supervisory net of the benefit system. They will be expected to increase their hours and earnings if the Benefits office deems that suitable opportunities are available. So Univ Credit is a highly illiberal reform. It reinstates coercion for many households which had found their own ways through the so-called flexible labour market and the benefit system.

The effects on those in the bottom of the income distribution are pronounced. For all the talk of fairness, the current retrenchment plans hit those at the bottom hardest. The story has been put around that the cuts made by the Coalition are essentially just a continuation of those that Labour had already had to make; in other words that there’s no real difference between the parties in their response to the fiscal pressures created by the financial crisis. This is not true, as the following graphs show.

[The first graph shows the distributive impact of the austerity measures announced by Labour before it lost office; the second shows the impact of the 2010 Coalition budget. Source: Institute for Fiscal Studies - The distributional effect of tax and benefit reforms to be introduced between June 2010 and April 2014: a revised assessment; http://www.ifs.org.uk/publications/5246.]
Figure 4.2: The effect of pre-announced tax and benefit reforms to be introduced between June 2010 and April 2014 by income decile group and household type

Notes: Income decile groups are derived by dividing all households into 10 equal-sized groups according to income adjusted for household size using the McClements equivalence scale. Decile group 1 contains the poorest tenth of the population, decile group 2 the second poorest, and so on up to decile group 10, which contains the richest tenth. Assumes increases in employer NICs are passed on to employees in the form of lower wages.
Figure 4.3: The effect of tax and benefit reforms announced in the June 2010 Budget to be introduced by April 2014 by income decile group and household type.

Notes: As for Figure 4.2.
Sources: As for Figure 4.2.
Why has the Coalition’s policy been so regressive? I’m sure there are a number of explanations, and I am just going to focus on just one, policy feedback, which fits with the wider themes of this lecture. Let me give you my story of policy feedback as it applies here. I’ve argued that the reforms initiated by the 1979 Conservative government have effectively removed many two earner households from access to the social security safety net. The system is not there for them when one of them becomes unemployed. The policy of reducing insurance and relying on means-testing has reduced the constituency of support for social security spending. This creates a favourable political environment for further cuts.

Some of you will recognise this argument as a variant on Korpi and Palme’s ‘paradox of redistribution’. What Korpi and Palme found, in a cross-national comparison, was that countries which had highly targeted (ie means-tested) social security systems had higher poverty rates than those that had maintained their insurance systems. They attributed this result to negative policy feedback arising from means-testing.

Policy feedback means that the intuitively appealing idea, of targeting spending on those who need it most, can have perverse effects. It is true that, for any given amount of social security spending, targeting will mean that a greater reduction in poverty is achieved. However, the amount of social security spending should not be taken as given. Thinking about policy feedback makes us think about the possibility that budgets will be cut after a targeting policy is adopted.

In the UK, we seem to be locked into a negative feedback loop so far as social security spending on the working age population is concerned. Labour didn’t get us out of it, but it did try to find a way around the unpopularity of out-of-work benefits, by promoting tax credits instead. Tax credits achieve high levels of income redistribution, but Labour kept rather quiet about this. Peter Taylor-Gooby and Rose Martin called their policy ‘doing good by stealth’. No real political constituency of support for tax credits developed. Insofar as the wider public are aware of tax credits, they are more associated with administrative problems than with keeping families out of poverty.
The trouble with doing good by stealth is that it turns out to be rather easy to stop doing good – to retrench by stealth. That is what the Coalition has done. We’ve heard a lot about some of their cuts policies, such as the benefits cap – the ceiling on the amount of benefit a household can receive relative to average earnings – but the savings from the cap are small and affect few households compared with the savings from cutting tax credits.

So – to sum up at this point. Whereas the structure of policy in the Thatcher era made it very difficult to reduce expenditure on means-tested benefits, this government plans to do just that. This is the second time as tragedy – a combination of changes in the labour market and changes in the benefit system have made possible a cuts policy that is more regressive than the first time round.

I should add that there is still hope that tragedy might descend into farce – it is questionable whether some of the changes, such as reassessment of disability benefits, will achieve the planned savings, but a lot of misery will ensue in the process.

Now I come to my second point of comparison between the Conservatives and the Coalition – policy towards provision in old age. While the 1979 Conservative government found that benefit expenditure on the working age population was difficult to control, when it came to old age pensions it was rather successful in cutting back. A change in indexation in 1980 meant that for the next two decades there was a steady erosion in the value of the state pension relative to earnings. The philosophy behind this was clear. The state should provide just the minimum of security; private pension provision should expand to fill the space left by the retreat of the state. A tremendous effort was put into promoting private pensions – in particular, tax incentives and National Insurance rebates encouraged people to opt out of the State Earnings Related Pension Scheme and to increase their personal pension savings.

However, this programme didn’t work. Instead of a change in the balance of sources of income for all pensioners, pensioners got increasingly unequal. Some turned out to be very well off with good private provision, and some became exceedingly poor, reliant on the state pension. The latter group increasingly turned to means-tested
benefits to supplement the inadequate state pension. It became clear that this is a problem, because reliance on means-tested benefits in old age reduces incentives to save during working life. To put it in more familiar language, the worker faces a ‘better off problem’ – will saving now make me better off later?

Many commentators, including the Pensions Commission which sat in the mid-2000s, argued that this situation is unsustainable, and that the basic state pension must be restored. That is – the amount payable to everyone over a certain age, regardless of income, must be roughly enough to live on, so that means-tested supplementation is not usually needed. This government has responded to this advice. It announced in the 2012 budget that it is going to reform the state pension into a single pension for future pensioners, set at a level above the means-tested minimum. The implementation of this reform may take time, but in the meantime a reform to the indexation of the state pension has been introduced that will see its value rise through time relative to average earnings. The change in indexation is the so-called triple lock. The state pension, it is promised, will rise by the best of wages, prices or 2.5%.

I should say straight away that I think restoration of the basic state pension is a good idea. I have no argument with the government about that. However, it is rather striking that there is no retrenchment for pensioners while policy towards the working-age poor is very harsh. What accounts for this significant imbalance?

A popular approach to political explanation is to look for the constituency which supports a policy, and ask whether it is well-organised, what coalition it might be part of, and whether it has a pivotal place in the pursuit of power. Following this mode of explanation, we would say – there are lots of old people, they are likely to vote, they’re particularly important to the Conservative Party, both within the party structure and in key electorates. So it follows from simple interest group politics that old age pensions should be raised while working age benefits are cut.

I’m sure there is some truth in this, but there’s another explanation. I mentioned that the Pensions Commission advocated the policy the government seems set to adopt, of restoring the basic state pension. Indeed, almost everyone in the pensions policy arena favours this policy. Strikingly, the policy is not seen as reversing the drive to promote
private pensions. On the contrary, private pension providers are very keen to see the restoration of the state pension. Means-testing is a problem for them because it raises the spectre that, if they encourage someone with a low income to take out a private pension, they might be accused of mis-selling.

So the revived state pension is not seen as undermining privatisation – on the contrary, it is meant to provide a better platform for private pensions. This is why it is welcomed by such unlikely advocates of increased state provision as the National Association of Pension Funds.

Furthermore, the government shows every sign of continued commitment to private pensions. Indeed, it has embraced a fashionable new ‘nudge’ policy, automatic enrolment, which will put people into pension schemes unless they actively opt out. In my recent research, I’ve examined the genesis of the automatic enrolment policy and compared its operation in the US with what is proposed in the UK.

Automatic enrolment has been embraced as a great new innovation in policy, based on the finding of behavioural economics that we are inclined to accept defaults in making difficult decisions, rather than make active choices. ‘Nudge’ is seen as a new approach to regulation, a so-called ‘libertarian paternalist’ approach. I think this enthusiasm is misguided. Auto enrolment shows how the programme of privatising the welfare state has gone down a blind alley. This is not a popular view – especially here in the UK. Let me explain my critique.

What has been evident in pensions policy ever since the first steps taken by the Thatcher government is that privatisation had to be made to work by the state. The state was always in there – most obviously from the start by offering tax incentives and NI rebates – the first Thatcher initiatives were found to have worsened the government finances by giving away more in rebates than they saved in relieving the government from future benefit obligations. Tax incentives supporting pensions are still very substantial.

Making private pensions work didn’t just mean incentivising them with generous dollops of foregone government revenue – it also meant regulating them to make
them attractive. Whenever private providers did not deliver what the government thought people should have, the answer was more regulation. These regulations took pension policy in some surprising directions. Take the advice regime - the regulations that govern the advice people get when they take out a pension. Advice regimes are a curious feature of the financial services industry. When you go to buy a car, the salesperson has a duty not to misrepresent the car to you, but she has no duty to ensure that you choose a car that is suitable to your needs.

The advice regime is clear recognition that ordinary people enter financial services transactions in a very weak position. We are protected by a raft of controls on what products can be sold and to whom, what we’re told, what promises are made. The idea that advice has to be regulated has also given us the concept of mis-selling – which basically arises from failure to comply with the obligations of the regulations on correct advice.

It is hard not to be mildly amused by the mis-selling scandals – being mis-sold a financial product seems to be the best chance most of us have of getting our hands on a share of the vast profits of the banks. Even the Financial Times has embraced mis-selling compensation, pointing out that compensation payments are the nearest thing we have at the moment to a Keynesian stimulus package, putting windfalls in the hands of households. But more seriously, the phenomenon of mis-selling is a huge issue for how we understand the workings of our privatised welfare state.

In promoting the idea of that retreat of the state and expansion of the private sector will bring enhanced welfare, a key concept is consumer sovereignty. The consumer should buy financial services according to her own preferences, instead of being compelled to hand over a share of her income to the state in return for a pension promise. But it is clear that consumers are not sovereign in the financial services sector.

Now, that means that, if we say that we prefer private pensions to state pensions, we are saying that we prefer to have financial services sold to us (and sometimes mis-sold) rather than to be taxed.
Think about this preference for a moment in the context of automatic enrolment. Automatic enrolment is really about letting decisions be made for us. Is there a real difference between being automatically enrolled and being taxed? The answer from its advocates is that we should feel better about auto enrolment because we can decide not to do it. We are not being subject to the authoritarian state, but rather its gentler counterpart – the libertarian paternalist state. There is a great deal of debate about this, but I find it beside the point. The opportunity to opt out is not the key difference between being auto enrolled and being taxed.

I think the key difference is this. When you are taxed – or when you pay NI contributions – the state makes no promise that you will get back what you paid in, in some future part of your life as a pensioner. In fact, the evidence is that on average you will get back what you’ve paid, but clearly this depends on future political decisions.

What about when you are auto enrolled? The money goes into an account, that is yours, possibly with the National Employment Savings Trust (NEST) or alternatively with a private provider. And I’m sure most people think that they will get back what they put in. Indeed, we would hope for more – some positive rate of return, even an above-inflation rate of return. It is hard to know exactly what people expect, but we can say that expectations will be anchored by public announcements of what a good idea it is to put your money into this scheme. So there is a difference in the implicit promise the government is making when it legislates for auto enrolment compared with levying taxes.

Let me say a little more about this line of reasoning. Economists have advocated auto enrolment because they think that people should save more for their retirement. More saving could be achieved through compulsion – the government could raise taxes or national insurance contributions. This would have the same effect on aggregate saving. But, given that this is politically unpopular, it looks attractive to get people to save more by nudging them.

This economic analysis is in one way politically realistic. It acknowledges the political difficulty of increasing compulsory saving. But in another way it is
politically blind. It has left out any analysis of policy feedback – specifically, in this case, an analysis of the effect of the policy on people’s expectations. In adopting the policy, the government is effectively making a promise – a commitment.

To ask what implicit commitments the government is making when it promotes auto enrolment is to engage in an analysis of public policy where one tries to understand not just the economic problem and the political constraints, but also the feedback from policies to politics. The economic experts who have led the promotion of auto enrolment have not asked what sorts of political pressures and constraints the policy they advocate will create.

Let me be a little less abstract about these political ramifications that I’m claiming have not been sufficiently thought through.

If we ask the question - what is going to happen to the automatic enrolment policy if contributors find that they have been enrolled in a scheme that has lost money, or at least has produced very disappointing returns? Those advocating the policy have avoided answering this question, because they think that poor returns are very unlikely. At first sight, that seems a bit surprising. At present, the safe interest rate is near to zero, and if you then take into account management fees, you can see that you get to a negative rate of return rather easily. But actually the design of auto enrolment will hide negative returns from contributors. This is because the worker’s own contribution is boosted by employer contributions and tax incentives. So there can be a negative return on all three sources of funds combined, but if the worker just looks at the size of the fund relative to her own contributions, the return will very likely be positive.

I think the policy advocates are being too optimistic, not about the returns necessarily but about the way that contributors will look at their funds. It is thought to be an attraction of these schemes that contributors get an annual statement, showing how their fund is accumulating. The trouble is, the statements won’t always show growth from year to year. There will be bad years, where funds fall in value. When this happens, we can expect that people will get rather upset, even if their fund has
previously performed well. They will be particularly upset if they are near to retirement and wanting to draw on their fund.

This problem has actually arisen in the US. In the US, it is up to employers to decide whether to auto enrol their workers, and many have done this. When the financial crisis happened, workers looked at their funds – their 401K funds – and found they had lost great hunks of their value. What did they do? Well, surprise surprise, workers are suing their employers for failing to ensure sufficient value for money from their contributions and proper management of their funds.

What will happen here? I expect that people will sue the government. We’ve seen something similar already in the case of Equitable Life. Equitable Life made commitments to its policyholders that it was unable to honour: the government ended up having to compensate policy-holders for ‘a decade of regulatory failure’. This little incident may have passed you by, but it will cost the government about £1.1billion over the next four or five years. This is about the same amount that the government will save over the same period from the benefits cap, that limits the maximum amount of benefit a household can receive.

So – let’s consider where we’ve got to with private pensions. First, they need the support of a basic state pension, so the government has to pay everyone a pension regardless of the amount of private provision they have. The Thatcher government hoped that private pensions would reduce the charge on the state, but now this government has had to give up on that idea. Second, private pensions have to be made attractive with tax incentives, so government foregoes tax revenue. Third, the government, having gone deeper and deeper in, is now going to insist on automatic enrolment, and if that underperforms, it will have to compensate contributors. Far from reducing pension costs, private pensions bring a fiscal cost and a fiscal risk. Somehow we’ve managed to get from the initial idea that pension privatisation would reduce the fiscal burden on the state, to the reality that the state has to pay up, and bear risks from promoting private pensions.

The government appears to be locked on a policy path of promoting private pensions even though it is less and less clear why, in terms of public policy. As I said earlier, I
think that restoration of the basic state pension is a good idea. But surely one possibility it opens up is that the state can say – right, we secure basic living standards in retirement and the rest is up to you. You can put money into this scheme or that scheme if you want to, or spend on your child’s education or your house instead – it’s your decision and your risk.

How did we get to be so locked in to promoting private pensions? Consider the various possibilities. First, there is the standard political explanation. There is a constituency of people who have private pensions and use them to make so-called efficient tax arrangements. And there’s the financial services industry, which has an interest in the continuation of tax subsidies. So – maybe there is an interest-based explanation for private pension promotion.

But actually this explanation puts the cart before the horse. Once the government became committed to promoting private pensions, interests coalesced around them. But where did the initial impetus for pension privatisation come from? Conservative ideology played its part, but the policy was also supported by many policy experts. They associated privatisation with improved pension funding, and saw it as an appropriate precaution to deal with population aging.

Now the economic arguments for pension privatisation have been completely demolished in the last 20 years. Economists have worked out the problems with the aid of several theoretical innovations, notably in the estimation of retirement date risk. But they haven’t been able to reverse the momentum of policy. Those who are close to the policy process are forced towards making the best of a bad job by making minor reforms like addressing the high fees and complexity of the system.

Automatic enrolment carries us further on down this path. The advocates of this policy are policy experts. I’m sure they think they are doing the right thing – finding a policy that is workable starting from where we are now, and not wasting time advocating an ideal position that it is politically impossible to reach. So, while they know that the economic advantages of private pensions are illusory and the risks substantial, they are proposing to perpetuate the course of policy rather than trying to reverse it.
To sum up, what is the final assessment of the Coalition compared with the Conservatives, and of the legacy of the Conservatives for the Coalition? In social security for people of working age, it looks like a case of the first time as tragedy, the second time as even more tragedy. Cuts that were not politically possible the first time round have been managed today. Policy is more coercive and options for low-income households are more limited.

For people above working age, the outcome seems a good deal more favourable. The basic state pension is being restored, and that is a good thing. But there is also an element of farce, because the government is continuing to promote private pensions, and has even embraced a new way of doing this, in the form of auto enrolment. The implication of having to reverse Thatcher’s policy towards the basic state pension is that cutting the state back to minimal residual provision and promoting private alternatives doesn’t work. Even during the Thatcher era, the government was sucked into regulating private markets to try to get the outcomes it wanted. Commentators at the time pointed out the paradox. The problem is captured by the title of Andrew Gamble’s book, written in 1988 – The Free Economy and the Strong State. What Gamble pointed out was how the rolling back of the state was apparently accompanied by a great increase in the reach of the state in the exercise of regulatory powers over the market. What he didn’t know then, in the late 1980s, but we know now, is how that intensification of regulation shifts risk onto the government, so that the taxpayer ends up propping up markets. The government is continuing along this path, when the financial crisis should have triggered some thinking about how to reverse it.

Within this farce, there is a further small tragedy, rather important to many people inside this room. Policy experts have embraced behavioural economics as a source of clever policy solutions that are apparently acceptable to politicians of all colours. The problem in the case of auto enrolment is that those giving policy advice have not thought through all the political implications of the policy. They have thought about the political constraints that exist at the moment, but not about the new politics that the policy will create. Economic policy experts have been drawn into advocating a
policy where there is a high risk that it will have effects that are not in line with their intentions.

I’ll end on a personal note. Before I came to this country, I was an officer in the New Zealand Treasury, and I’ve been drawn into the policy-making world several times since. On these various escapades, I don’t remember ever thinking about policy feedback, and I don’t think the economists I worked with did either. We saw our job as being to devise politically feasible solutions to pressing economic problems, not to worry about the long-term political sustainability of measures. It is the great privilege of being in academia to be released from these constraints, and to be able to think about public policy in a more complete way, taking politics seriously as well as economics. To be able to do this at Birkbeck, where students come up the road from Whitehall and Westminster precisely in order to be helped to think more widely and deeply, and to escape the constraints of immediate problem-solving that they face in their day jobs – that is a particular privilege, and one that I am very grateful for.

References
