

Over the last hundred and fifty years, we have more and more deeply entrenched the administrative state. Indeed, today



almost all of us live in some form of regulatory state. There is hardly any aspect of our lives that does not fall for some form of regulation and, indeed, most of us would agree that some form of regulation of market forces is necessary. Thomas Sowell in *Dismantling America: And other controversial essays*

(2010) made the point, "Regulation is of course not always bad, and it would be hard to find anyone of any party who says that it is." He was at that time speaking of the banking/financial services industry, but I cannot contemplate that any rational person would agree that market forces alone should determine whether or not we sell rotten meat, or allow children into mines, or have access to atomic bombs.

What is really appalling, however, is how regulation has taken over our lives not only with little observable benefit, but with the absolutely debilitating effect on initiative and on the rational allocation of economic resources. There is something Aristotelian in this march to regulation. That is, some are better suited than the rest of us to managing and directing public affairs. But even if that is true, it does not mean that the regulatory environment is either the most efficient or most equitable way to allocate resources.



Friedrich Hayek, in *The Road to Serfdom*, spoke of the planned economy as leading eventually to dictatorship. One needs to understand that Hayek wrote from the background of a specific historical and ideological experience and it might be excessive to extrapolate too much from that experience to our contemporary circumstances. Indeed, the modern regulatory state promises something far more insidious: dictatorship by a bureaucratic elite. It may not look like the traditional strong-arm dictatorship, but we are rapidly slipping into the environment where we can do nothing without the pre-approved sanction or licence of the state.

The regulatory state presses more heavily on backs of the poor people of underdeveloped countries than it does on those living in rich and developed ones. Skilled regulators are fewer and the quality of their skill less developed, but the degree of control is not less. It is only less efficient.