# PREFACE
# BEYOND BREXIT: A PROGRAMME FOR UK REFORM

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*"The major fluctuations in the rate of growth of demand and output in the years after 1952 were thus chiefly due to government policy. This was not the intended effect; in each phase, it must be supposed, policy went further than intended, as in turn did the correction of those effects. As far as internal conditions are concerned then, budgetary and monetary policy failed to be stabilising, and must on the contrary be regarded as having been positively destabilising."*

J. C. R. Dow (1964)

We not only live in interesting times but also dangerous ones. The weaknesses of the post-war consensus on macroeconomic control was laid bare by Dow's (1964) magisterial analysis and the subsequent implosion of demand management in the 1970s (see Blackaby, 1978; and Britton, 1991). It is becoming clear that we have now also lived through a near break-down of the liberal rules-based consensus that has dominated the subsequent period of policy making.

Rules for countercyclical monetary and fiscal policy have not been sufficient to lay the foundations for a sustained growth in living standards or a perception that such a return to growth is around the corner (see Chadha *et al*., 2016). Growth in other and distant parts of the world has not only imparted a disruptive shock to advanced economies such as the UK but also changed fundamentally the relative importance of the UK in the matrix of world power (see Chadha, 2017).

The effects of the 2007–8 financial crisis, at which the UK found itself at the epicentre, have been controlled but much of the scarring remains. Whilst jobs have been created and standards of living have been stabilised, the lack of investment has left the country in need of social and enabling capital and has meant that the economy has not been projected onto a particularly dynamic trajectory. Economic performance has continued to be moribund and lacking in any great dynamism. The failures have built up resentment towards both expert and political classes and perhaps quite rightly.

Put simply, the correction of short-term macroeconomic policy did not translate into the correction of long-term economic problems. And so against this background the Institute asked Llewellyn Consulting and Gatehouse Advisory Partners to commission a special collection of papers on the problems faced by Britain that go beyond Brexit *per se* for our 250th issue. The papers under the auspices of the newly established Policy Reform Group provide an agenda for the reform of the British political, economic and administrative landscape that will help secure a more robust future for the peoples of these islands.

## REFERENCES

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Dow, J.C.R. (1964), *The Management of the British Economy, 1945–1960*, Cambridge: Cambridge University Press.

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