

The Housing Crisis in Neoliberal Britain: Free Market Think Tanks and the Production of Ignorance

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“What if that machinery were reversed? What if the habits, problems, actions, and decisions of the wealthy and powerful were daily scrutinized by a thousand systematic researchers, were hourly pried into, analysed, and cross referenced, tabulated and published in a hundred inexpensive mass-circulation journals and written so that even the fifteen-year-old high school drop-outs could understand it and predict the actions of their parents’ landlord, manipulate and control him?”

Martin Nicolaus (1969)

Unsettling supply and demand

In late 2014 an important social movement, FOCUS E15¹, was born on the Carpenters Estate in the east London borough of Newham. Two young mothers, Sam Middleton and Jasmine Stone, occupied an empty flat on the Estate in late September that year. They were soon joined by several other young mothers who had all experienced the same trauma: being served eviction notices by an emergency hostel (or “sheltered accommodation”, as it is known in the UK) after the funding stream to that council-run hostel was cut. The Carpenters Estate is adjacent to the 2012 Olympic Park, and in 2010 it was cleared of its residents as Newham Council, affected by central government cuts to all local authority budgets, tried to sell the land to cash in on the rent seeking mega-event bonanza. The deal fell through, leaving more than 600 council homes empty for four years, and the Council wanted to send the families it had displaced into hostels to Birmingham or Manchester, where rents are considerably cheaper. The FOCUS E15 protest armed itself with a very simple message: “Social Housing, Not Social Cleansing”. Under the current Conservative government, the context for such a protest is not going to disappear any time soon: social housing all over the UK is being bought out by private developers, councils are trying to divest themselves of what sparse stock they have left, wages do not even cover social rents (let alone private sector rents), and, most galling of all, thousands of affordable homes lie empty “in preparation for the billions their destruction will bring in” (Williams, 2014). On October 2nd, Newham Council failed in its attempt to use the draconian power of ‘interim possession order’ to evict and silence the mothers, who then left the homes they occupied on their terms whilst continuing their campaign.

In December 2014 there was a significant victory for residents of another east London housing estate, New Era, when they successfully fought plans by US land investors to evict dozens of families and more than double rents. Westbrook Partners, under huge public pressure because of a campaign against its profiteering motives (again led by mothers on the estate), sold the land upon which the New Era estate sits to the Dolphin Square Charitable Foundation, an affordable housing charity committed to delivering low cost rents to Londoners on low to middle incomes. These protests in a capital city with grotesquely inflated housing costs across all tenures generated massive attention (helped by celebrity support on social media), and triggered a national debate on housing affordability and similar protests in other UK cities.

¹ <http://focuse15.org/>

Above all, the movements demonstrated that when too many people are unable to afford shelter, it becomes a political problem, and a major basis for social mobilization.

Against this backdrop - and particularly against the 2015 General Election backdrop of the (since defeated) Labour Party taking high housing costs more seriously than in its recent history and proposing an upper limit on rent increases within tenancies in the private rented sector - the *Institute of Economic Affairs* (IEA), a free market think tank and a pivotal institution in the birth of neoliberal ideology in the UK and beyond, published a report entitled *The Flaws in Rent Ceilings*² (Bourne, 2014). A declamatory crusade against all forms of rent regulation anywhere, from what it called the “crude rent controls” of the (20th century) inter-war period to “second-generation rent ceilings”, the report began by stating that there is a “rare consensus” among economists that rent control “leads to a fall in the quantity of rental property available and a reduction in the quality of the existing stock” (p.10). A quick inspection of a footnoted URL reveals that the source of this “consensus” is in fact a small survey of 40 neoclassical economists in the United States. Nonetheless, the report continued to argue that “under rent control there is less incentive for families to reduce their accommodation demands, therefore exacerbating the shortage of properties for others” (p.16). The tenor of the document reaches a crescendo a few pages later in the spectacular assertion that “the truth would appear to be that tenants are unwilling to pay for increased security” (p.25), leading to the conclusion that any “extra security” for tenants “comes at the expense of reduced economic efficiency” (p.35). Instead of rent regulation, the report calls for another round of deregulation in the form of “planning liberalisation”, which is described as a “welfare enhancing policy” (p.36) that would lead to the construction of new housing on land currently shielded from development government red tape. For the IEA, the housing crisis is a basic economic conundrum - too much demand and not enough supply – and its solution is thus to increase supply by stopping all government interference in the competitive housing market, which (true to neoclassical beliefs) must be allowed to operate free of cumbersome restrictions to provide incentives for producers and consumers to optimize their behavior and push the market towards equilibrium (so that there are no shortages of housing), whilst yielding the maximum amount of utility for the maximum number of people.

The IEA immediately went about the task of circulating sound bites from the report as widely as possible. Its ‘solution’ certainly caught the attention of newspapers and commentators supporting a conservative agenda, one illustration being the *The Daily Telegraph* printing a feature under the headline, “Think-tank criticises ‘pointless’ Labour rent cap scheme” (6th September 2014). It also caught the attention of the editors of *Channel 4 News*, a widely respected national television news programme, who invited the author of the report, Ryan Bourne (the IEA’s Head of Public Policy) to discuss the issue of rent control alongside Jasmine Stone³. Even after Stone described her and her neighbours’ experiences of struggling to make rent due to various profiteering schemes, Bourne maintained that the “fundamental reason” for very high rents was not “greedy landlords”. According to Bourne, the “real” reason is that, “Over years and years we haven’t built new homes and have restricted supply artificially⁴ through greenbelts and other planning restrictions.” When Stone answered positively to the

² This is not the first time the IEA has waded into the debate on rent control. Founded in 1957 by Anthony Fisher, an ex-RAF pilot, wealthy chicken farmer and personal friend of Friedrich von Hayek, in 1972 the IEA published a savage tirade against state intervention housing markets entitled ‘Verdict on Rent Control’, co-authored by none other than Hayek himself with another archdeacon of neoliberalism, Milton Friedman.

³ Available to view here: <http://t.co/ZLzoiHp2Su>

⁴ The use of the word ‘artificially’ is revealing: neoclassical economists are especially prone to viewing a competitive market as a natural evolution that is best left alone if equilibrium and growth is to be achieved.

interviewer's question of whether she would like to see rent controls introduced in London, Bourne immediately retorted that she was wrong because "economists agree" that such "crude" controls are "absolutely disastrous". It did not appear to matter at all to Bourne that Stone was speaking from the experience of poverty, housing precarity and repeated evictions. If economists like him agree, then the debate over rent regulation should end.

The Flaws in Rent Ceilings is a pure exemplar of the way in which free market think tanks function as footsoldiers of, and mouthpieces for, the neoliberal creed. When that creed is under scrutiny or being challenged directly, think tanks scramble to produce "evidence" (in the form of authoritative reports distilled into accessible soundbites) defending the free market and attacking state intervention in economic affairs. In this IEA case, structural causes of the housing crisis were swept out of sight by appeals to 'sound economics' and by recourse to the easily decipherable logics of supply and demand. Whether by intent or not, reports such *The Flaws in Rent Ceilings* serve to divert attention away from the harsh realities of the housing crisis which lay bare the catastrophic consequences of over three decades of neoliberal housing policies. There is no space here for a full portrait of these realities, merely some brief pictures⁵: by 2014, for the first time since the late 1960s, there were more UK households renting homes privately than in social housing. Since 2000, the largely unregulated private rented sector has doubled in size to well over 4 million households. Buy-to-let mortgages soared during this period, facilitated by insecure "shorthold tenancies": a get-rich-quick scheme for landlords, and until mid-2015, subsidised by the state via tax breaks. 1.8 million households (and counting) are on the waiting list for social housing. Homelessness is on the rise (there was a 31% increase in rough sleeping from 2010-2012), despite the existence of nearly 1 million empty homes in the UK. 'Affordable rents' in social housing are now set at 80% of market levels (up from 50%) – almost never affordable. 1.6 million households are spending over half their income on housing costs, and the very poorest households have approximately £60 per week after housing costs are met.

The infamous Right to Buy scheme, introduced in 1980 to encourage direct sales of council housing at large discounts to tenants (to expand home ownership at the expense of the public housing stock) is one direct and major cause of the lack of affordable housing today, yet it is now being extended to tenants in housing association properties⁶. It has been the largest but by no means the only economic deregulation and privatisation⁷ scheme vis-à-vis housing in Britain. Many remaining council housing stocks have transferred to housing associations ('stock transfer') as part of a pervasive political desire to end municipal management altogether, accounting for a further 1.5 million public dwellings. Year upon year there is a dwindling public subsidy for housing associations, which have been forced to rely on

⁵ My sources here are Dorling (2014), Meek (2014) and Lansley and Mack (2015).

⁶ In a cynical appropriation of past language, the Tories have recently launched the 'Help to Buy' programme to assist first-time buyers purchase residential property. It has thus far had two phases: (1) buyers contribute a 5% deposit and the government provides an equity loan for up to 20% of the property value, and buyers must provide the remaining funds themselves (from a mortgage). This is available only for new-build properties under a certain price (less than £600,000) and the loan is interest-free for the first five years; (2) 5% deposit mortgages are available from ten different lenders with the government acting as a guarantor for the mortgage. This phase is not restricted to those buying new-build: anyone wanting to buy any home in the UK worth less than £600,000 is eligible for the scheme. Even the IMF has warned George Osborne, Chancellor of the Exchequer, about this scheme creating another catastrophic housing bubble.

⁷ Right to Buy actually failed on its own privatising terms, as many who exercised their Right to Buy sold on to private landlords, who rented them to tenants at double or triple the levels of private rent, which required tenants to apply for housing benefit off the state. So Right to Buy actually ended up costing the state far, far more in housing benefit than it ever did in maintenance and management of council homes.

commercial borrowing to balance the books, putting upward pressure on rents (Hodkinson, 2012). On top of this, along with the current erosion of housing assistance in the cruellest way imaginable via the ‘Bedroom Tax’⁸, urban ‘regeneration’ policies continue to provide expensive accommodation ‘choices’ whilst bulldozing affordable housing. These sobering snapshots all point to the absolute necessity of rent regulation to protect increasing numbers of people trapped by a housing market that offers frequently staggering returns only to those with the financial means to access them, not to mention trapped by a hostile, precarious entry level labour market into which the most vulnerable are being funnelled by workfarist reforms. Young people (under the age of 40) are most affected: unable ever to save for a deposit to acquire a mortgage loan, a new phrase, ‘Generation Rent’ (see McKee and Hoolachan, 2015), has emerged to capture the plight of those at the mercy of landlords across all sectors. Recently, a ‘Living Rent’ campaign⁹ has emerged in Scotland, taking cues from the remarkable advances of the Living Wage movement to argue for urgent government action to ensure truly affordable rents in the private rented sector.

In sum, it is arguably around the housing question where the contrast between the rhetoric of these think tanks and the realities of so many is at its most glaring. Those arguing for housing justice have truly formidable and very well financed opponents in free market think tanks, whose devotion to neoliberal beliefs is steadfast, zealous, and often ruthless. This chapter therefore focuses on the housing crisis in the UK to trace and elaborate the critical importance of these think tanks in the mobilization of state power vis-à-vis the extension of market rule. To accomplish this I pay attention to how think tanks have been studied, then provide a short historical overview of the rise of free market think tanks in the UK and their methods of argumentation, before concentrating on the question of how think tanks shield the public from grasping the roots of the housing crisis, and how scholarship might respond.

Think tanks: contrasting analytic perspectives

In an outstanding recent sociological analysis of think tanks (of all political stripes) in the United States, Medvetz (2012) traces their rise and enormous influence in that country over several decades, and in doing so helpfully outlines three distinct perspectives on think tanks in the academic literature:

- 1) *the elite perspective*, which “depicts think tanks as the intellectual machinery of a closed network of corporate, financial, and political elites”, and as “instruments deployed strategically in the service of a ruling class political agenda”
- 2) *the pluralist perspective*, undergirded by a refusal to assign any essential character or role to think tanks, which are analysed as “one kind of organization among many in a wide array of societal groups that compete to shape public policy”.

⁸ Since 1st April 2013 the allocation of Housing Benefit takes into consideration the number of rooms occupied by tenants in local authority (council) and social-rented (housing association) accommodation, and restricts payments to allow for one bedroom per person or per couple. If it is deemed by the state that there are too many rooms in such a dwelling for the number of occupants, the “under-occupancy penalty” is applied. This reduces housing benefit payments by 14% for one extra bedroom and by 25% for two or more extra bedrooms. Politicians attempt to defend the indefensible by referring to the “need” to reduce welfare spending as part of their current fiscal austerity agenda. There is also defensive reference to the many thousands of tenants across all sectors in overcrowded accommodation; it is claimed that the ‘reallocation effects’ of the policy will reduce council housing waiting lists. However, this argument is immediately stranded once it is recognised that people being evicted from their homes due to rent arrears is not going to reduce council housing waiting lists.

⁹ <http://www.livingrent.org/>

- 3) *the institutionalist perspective*, where think tanks are viewed as “epistemic communities, or networks of politically engaged experts and professionals” and the focus is on “the structural environments in which think tanks are embedded, the rules and norms that shape their behaviour, and the organizational arrangements and processes to which they must respond”. (p.8-16)

Whilst taking cues from all three, Medvetz found too many shortcomings in each, as the impact of think tanks extends well beyond official politics into other social spheres (academia, business, media), and particularly as the three perspectives fail to take seriously the “structural blurriness” (p.16) and ambiguity of think tanks, which he argues is key to their significant influence across these spheres. Correspondingly, Medvetz developed a *relational perspective* on the think tank, using Bourdieu’s concepts of social space and field of power to dissect “the social relations (of hierarchy, struggle, partnership and so on) that surround and make possible the think tank.” (p.35) There is tremendous potential in Medvetz’s new perspective to grasp what is distinctive about think tanks from other research organizations, the relationships among think tanks, the influence they cast over public debate, and especially the role of intellectuals in society (he insists that the rise of think tanks must be set analytically “against the backdrop of a series of processes that have contributed to the growing subordination of knowledge to political and economic demand”, p.226). Yet given the focus of this chapter on free market think tanks in the context of neoliberalization, Medvetz’s warning (a critique of the elite perspective) that “we must be careful not to smuggle into the analysis any essentialist conclusions about a think tank’s ultimate political or intellectual proclivities” (p.12) is less helpful. To be sure, essentialism is always best avoided, but close scrutiny of the (surprisingly small) literature on free market think tanks and neoliberalism finds conclusions about a think tank’s “ultimate political or intellectual proclivities” to be robust and instructive, rather than sweeping and essentialist. The elite perspective, whilst limited in scope (it cannot account for the rise of think tanks positioned *against* ruling class interests), is certainly still of analytic utility in explaining the power wielded by contemporary think tanks of the right.

Free market think tanks in the UK from Thatcher to Cameron

“We did all our stuff publicly, in the public domain. We published, we sent the stuff out, had it raised in Parliament. ...If you do it in public over weeks, people are prepared for it – journalists and whatever. By the time the minister gets around to the idea, it’s already familiar. He’s won part of the battle of public acceptance....” (Senior conservative think tank officer quoted in Peck and Tickell, 2007: 42)

In a pugnacious analysis of the role of intellectuals in shaping the process of neoliberalisation, Peck and Tickell (2007) pay specific attention to the free market think tanks during the era of Margaret Thatcher, which played a decisive role in “translating foundational ideas into circulating policy knowledges, fit for governmental practice.” (p.36) It should be recognised that the Fordist-Keynesian climate of the three decades following WWII meant that these foundational ideas had not been in vogue for some time, and were often dismissed as lunacy. It was the free market think tanks that led the way in changing mindsets, and in “stretching the vocabulary of the politically feasible” (p. 48). How did they accomplish this? Where previous governments had relied almost exclusively on senior civil servants to produce policy briefs, Thatcher wanted to create a ‘market’ for ideas within the policy process (Desai, 1993). This provided the impetus for think tanks such as the *IEA*, the *Adam Smith Institute*, and the *Centre for Policy Studies* to produce a plethora of widely disseminated policy packages that distilled the arguments of Friedrich von Hayek and Milton Friedman (and their Mont Pelerin disciples) into accessible sound bites for ministers and the electorate:

“[T]he various products of the think tanks – pamphlets, reports, policy briefs, occasionally books – were purposely circulated through the public sphere in order to generate conversation across different segments of the policy community and in the press.” (p.41)

Wacquant (2009) provides an elaborate account of such a ‘conversation’ with respect to the 1990s diffusion - from the neoconservative think-tanks of Washington DC to their “trading posts” (think tanks and policy institutes) in European cities - of a triad of welfare cutback proposals, paternalist ‘workfare’ programs, and ‘zero tolerance’ policing methods. He describes how the “mental colonization of British policy makers by the United States” (p.34) was facilitated by the media and think tank sponsorship of visits to the UK by right wing intellectuals (e.g. Charles Murray, Lawrence Mead). This was quickly followed by a torrent of widely disseminated publications:

“It is through the agency of exchanges, interventions, and publications of an academic character, real or simulated, that intellectual ‘smugglers’ (*passeurs*) reformulate these categories in a sort of *politological pidgin*, sufficiently concrete to ‘hook’ state decision-makers and journalists anxious to ‘stick close to reality’...but sufficiently abstract to strip them of any overly flagrant idiosyncrasy that would tie them back to their originating national context.” (ibid. p.47-8)

Powerful and convincing as it is, Wacquant’s analysis blends rather different UK governments into the same explanatory account. Whilst undoubtedly neoliberal in both rhyme and reason, and sporting prominent politicians (e.g. Frank Field, Jack Straw) enamoured with the prophets of punitive governance, the New Labour (1997-2010) government operated in a quite different way with respect to think-tanks as the preceding Conservative governments. This period was characterised by a pragmatist ‘What Works?’ approach to public policy, where centrist think tanks came to dominate all government research activities, and, subsequently, the policy process. The *Institute for Public Policy Research* and *DEMOS*, to take the two most Blairite examples, left market rule unquestioned whilst they commissioned grant-hungry academics to trawl through the ‘evidence base’ for examples of policies that might soften the sharp edges of supply-side, inflation-busting economic management, and as they conducted focus groups with randomly selected pundits from all walks of life to evaluate policy packages on the table. But at precisely the time the Blairite think tanks were at their influential apex in “explicating the terms of the politically deliverable” (Peck and Tickell, 2007, p.48), two new think tanks were born with dramatic implications for the British welfare state in particular.

What distinguishes the free market *Centre for Social Justice* and *Policy Exchange* from the think tanks before them is the central involvement of (then opposition) frontline politicians in their initial formation. The former was the brainchild of Iain Duncan-Smith (now Work and Pensions Secretary), the latter that of Michael Gove (currently the Justice Secretary) in collaboration with other Tory politicians. Duncan-Smith and Gove are two staunch Thatcherites and close allies of Prime Minister David Cameron, and the think tanks they created have not only become the go-to sources of comment and ‘evidence’ arming those of a neoliberal persuasion, but continue to provide the intellectual impetus behind the ongoing Conservative assaults on the public sector and on the welfare state in Britain under the banner of “cutting the deficit” (austerity). Supported by the press releases and noisy interjections of other free market think tanks such as *Reform* and *The Taxpayers’ Alliance*, what Owen Jones (2014) calls the “outriders” have been instrumental in connecting together the worlds of politics, business and the media to defend the neoliberal society they and their predecessors have helped to create, and to keep the national political conversation on terms/categories favourable to ruling elites. But it would be erroneous to view them simply as mere servants of the powerful:

“It might seem tempting to view the outriders as nothing more than tools of the wealthy elite. But they are not cynical charlatans, simply pumping out propaganda at the behest of powerful businesspeople. They are true believers, zealots even. They speak from genuine, unshakeable conviction. Businesspeople are grateful for the work the outriders do in popularising these ideas, and believe donating to them is a wise investment.” (p.38-9)

Jones’s central point is crucial: even if the influential think tanks of the moment in the UK are generously funded by large corporations and wealthy individual benefactors, they are first and foremost deeply *political* creations that then attract business support – not the other way round. These think tanks always claim political independence (and seek respect by frequent appeals to their charitable or ‘educational’ status) but so evangelical is their devotion to market rule and loathing of big government that it serves as a honey pot for substantial financial donations from business interests. They are now so well financed (and thus well staffed) that it makes it very challenging indeed for think tanks opposing free market logics and neoliberal nostrums to produce equivalent volumes of output.

Decision-based evidence making (and other traits)

If the structural conditions for the creation of think tanks bear close scrutiny, so too do their methods and styles of argumentation. Take, for instance, *Create Streets*, which describes itself as “a non-partisan social enterprise and independent research institute focusing on the built environment”, with a mission to “encourage the creation of more urban homes with terraced streets of houses and apartments rather than complex multi-storey buildings”. The brainchild of Nicholas Boys Smith, a director at Lloyds Banking Group, it hit the UK headlines in January 2013, when it published its first report in conjunction with *Policy Exchange*. Boys Smith co-authored the report with Alex Morton (who has since left *Policy Exchange* to become David Cameron’s special advisor on housing and planning policy) and together they argued that high rise social housing blocks in London should be demolished to make way for low rise flats and terraced housing:

“London has a large amount of social housing built as large multi-storey blocks from the 1950s to the 1970s. This housing is unpopular with the public. Nor, ironically, is it particularly high density. Replacing it with proper terraced housing would transform London, making London more attractive, benefitting residents, and potentially allowing a large increase in housing in the capital. *Create Streets* has therefore been created to encourage and facilitate the replacement of London’s multi-storey housing and the development of brownfield sites with real houses in real streets.” (Boys Smith and Morton, 2013, p.5)

Leaving aside the high probability that those living in ‘large multi-storey blocks’ feel that their houses and streets are already ‘real’, a call for demolition and displacement on this scale - during a serious housing crisis - cannot be made without some sort of moralising justification. This is to be found in the language and symbols deployed in Chapter 3 of the report, entitled “Multi-Storey Housing is Bad for its Residents” (including the subtitle “Multi-storey housing is more risky and makes people sadder, badder and lonelier”). Some illustrations:

“Other studies have found children in high-rises suffering from more bedwetting and temper tantrums and that the best predictor of juvenile delinquency was not population density but living in blocks of flats as opposed to houses.” (p.30)

“[T]he evidence also suggests that tower blocks might even encourage suicide. Without wishing to be glib, tower blocks don’t just make you more depressed. They make it easier to kill yourself – you can jump.” (p.30)

“Multi-storey buildings can create a myriad of opportunities for crime due to their hard to police semi-private corridors, walkways and multiple escape routes.” (p.32)

The ‘evidence’ for such claims, contrary to being “unambiguous” and “overwhelming” (a word used multiple times), is drawn from a few highly questionable studies in the fields of architecture/urban design and psychology, from some journalistic memoirs, and hammered home via obligatory and hagiographic nods to the writings of modernist-bashers Jane Jacobs, Oscar Newman and Alice Coleman. The very few social scientific studies that are mentioned have been mined for quotations entirely wrenched out of their historical, social and geographical contexts. Furthermore, the authors falsely claim that high rise housing is “bad for you” regardless of income or social status (avoiding the question of how to account for the explosive growth and appeal of luxury condominium towers in many large cities), and the obvious and pressing question of how to account for any “social problems” in low rise or terraced housing is studiously ignored. Perhaps anticipating some challenges to their drastic manifesto for a “London that is more pleasant for everyone”, they conclude, “This agenda is pro-housing and pro-growth, and would create a more beautiful and better London. We cannot allow a minority with vested interests to defeat it.” (p.69). This report, resting on the stigmatisation of working class people and the places where they live, should not be dismissed as a right wing bourgeois fantasy: at the time of writing, *Create Streets* has had two major policy impacts; first, the March 2014 UK Budget followed its recommendations, cited its work, and created a £150m Estate Regeneration Fund; second, in April 2014 the UK Government commissioned *Savills* (a global real estate corporation with expertise in elite residential markets) to investigate the potential of its proposals (ongoing).

In the *Create Streets/Policy Exchange* report, and in the 2014 IEA report against rent ceilings, we can find many of the hallmarks or character traits of free market think tanks as they deliver their arguments. These are summarised in Table 1 and are drawn from an extensive reading of numerous such think tank publications, and the scholarship on them:

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| <ul style="list-style-type: none"> ■ Purity of belief in free market and/or ‘trickle down’ economics ■ Intensity of belief (zeal), unwavering conviction ■ Abstraction and ahistoricity ■ Results from opinion polls, selective literature reviews and rigged surveys presented as ‘irrefutable evidence’ ■ Despite widely available counter-evidence, an insistence that, over the long run, they will be proved right ■ Self-appointed guardians and paragons of public morality (the triumph of the moral over the political) ■ Whilst saturated in a particular (neoliberal) ideology, the dismissal and denigration of opposing views as ‘ideologically driven’ ■ Decision-based evidence making, yet repeated claims of independence, objectivity, lack of bias, and especially ‘rigorous research’ (accepted by mainstream media, so <i>opinion</i> quickly morphs into <i>fact</i>) |
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Table 1: Key traits of free market think tank argumentation, building on Desai (1993, p.40).
I am grateful to Tracey Jensen for her suggestions here.

The final point in Table 1 is arguably the common denominator of all free-market think tank publications. One of the catchphrases of the policy process during the Tony Blair years, for better or worse, was ‘evidence-based decision making’. Yet writers employed by free market think tanks in particular have mastered the craft of *decision-based evidence making*, tailored to the needs of policy elites and politicians on the lookout for accessible catchphrases to woo a jaded electorate. Politicians very rarely consult published social science research unless it

supports the policies they want to pursue (witness, for instance, the fact that it is virtually impossible to find a social scientist trained outside the field of neoclassical economics who writes for, or who has ever been consulted by, a free market think tank). Instead, they depend on neat sound bites and statistics drawn from think tank surveys or literature reviews that measure nothing more than the worldview of the institution that commissions them, where policy ‘researchers’ set out to resolve false problems even though they have already been “implicitly settled in the way research questions are formulated” (Wacquant, 2009: 48). These methods provide the ‘evidence base’ for the mobilisation of state power in the extension of conservative dogma; they actively manufacture ignorance to appease and ultimately sustain their funding sources, buffering politicians and their audiences from viable alternatives and inoculating them against the critique of autonomous scholarship. The moral authority in the delivery of conclusions and policy recommendations made by free market think tanks is best captured by Peck (2006), when he observes that their conservative intellectuals, despite speaking the language of the dominant, “portray themselves as *lonely voices of reason*, as principled outsiders in a corrupt, distracted, and wrongheaded world.” (p.682)

Charting and challenging the production of ignorance

Free market think tanks of the right in the UK continue to gain in power, and their influence is hard to avoid in any assessment of how the contemporary neoliberal state is aided and augmented. Their glossy and authoritative publications, their fast channels of access to authority and opinion-makers, their speechwriters and backroom ‘researchers’ have successfully deflected attention away from the neoliberal causes of the miserable realities endured by people living at the bottom of the social and spatial order. Take the question of rent control that is the target of the IEA’s full wrath. Its assertion that the high cost of all forms of housing in the UK (currently consigning the poor to financial ruin) is a case of too much demand and not enough supply is immediately stranded by evidence judiciously ignored in the report: the startling amount of empty homes in the UK, the amount of land being hoarded by domestic and foreign investors with what Harvey (2010) calls “speculative landed developer interests” in cities (attracted by low taxation), and the existence of abundant mortgage credit¹⁰ (the lending frenzy set in motion by Thatcher’s deregulatory crusade in the 1980s). In short, it is rentier capitalist extraction and the circulation of interest-bearing capital in land markets – facilitated by the neoliberal state - that has resulted in the high cost of housing in the UK (cf. Aalbers and Christophers, 2014). Land value (so often ignored in discussions of housing costs) is not created from owning land – it is created from collective social investments in land, which landowners capture as unearned income via private property rights (Sayer, 2014). Land speculation and monopoly land ownership, on top of abundant mortgage credit, is actually what makes housing unaffordable. Instead of building decommodified shelter for people in dire housing need, the political-economic system encourages rentier capitalists to “compete over who can best use their land-banking skills to anticipate the next housing bubble and survive the last one” (Meek, 2014, p.223). Rent regulation is an urgently required short-term measure to protect against evictions and homelessness, alongside a long-term programme of decommodified housing provision. But the IEA conjures up the threat of economic and housing disaster if any such regulation is imposed, arguing that landlords would not generate enough revenue to maintain their properties or simply withdraw them from the rental market.

¹⁰ 76% of all bank loans in Britain now go into property (64% of that into residential mortgages). Mortgage market ‘liberalization’, typically framed as making homeownership accessible, has resulted in a debt explosion rather than in more accessible homeownership - especially via ‘interest only mortgages’ (a glorified form of renting). I am very grateful to Manuel Aalbers for some timely reminders here.

But in numerous countries and cities where rent controls are long established, there is thin or no empirical evidence in support of these arguments. It is also worth noting that under no rent regulation, one third of all private rented sector tenants in the UK are living in structurally inadequate housing (Lansley and Mack, 2015).

The influence and activities of free market think tanks point to the necessity of shifting research questions away from ‘what people know’ about the society in which they live towards questions about what people do *not* know, and why not. These questions are often just as important, usually far more scandalous, and remarkably under-theorised. This requires a rejection of appeals to ‘epistemology’ and ‘knowledge production’, and instead, an analytic focus on the production of *ignorance* instead. There is a word for this, *agnotology*, coined by Robert Proctor, a science historian, and meaning “the study of ignorance making, the lost and forgotten” where the “focus is on knowledge that could have been but wasn’t, or should be but isn’t” (Proctor and Schiebinger, 2008, p.vii). It was while investigating the tobacco industry’s efforts to manufacture doubt about the health hazards of smoking that Proctor began to see the scientific and political urgency in researching how ignorance is made, maintained and manipulated by powerful institutions to suit their own ends, where the guiding research question becomes, “Why don’t we know what we don’t know?” As he discovered, the industry went to great lengths to give the impression that the cancer risks of cigarette smoking were still an open question even when the scientific evidence was overwhelming. Numerous tactics were deployed by the tobacco industry to divert attention from cancer risks, such as the production of duplicitous press releases, the publication of ‘nobody knows the answers’ white papers, and the generous funding of decoy or red-herring research that “would seem to be addressing tobacco and health, while really doing nothing of the sort” (ibid. p.14)¹¹.

It would seem that the actions of free market think tanks are well suited to such agnotological analyses (for an initial attempt, see Slater 2014). It matters because these think tanks are now so powerful that their reports and proposals - littered with dubious assumptions and fabricated evidence, and shot through with zealous devotion to a failed economic experiment responsible for social suffering on a grand scale - *directly shape public policies*. Officially non-state agencies that are never subject to democratic accountability (Denham and Garnett, 1999), these think tanks continue to have profound and far-reaching state effects. Wacquant (2010) goes so far to say that they have “irrevocably altered the institutional matrix through which policy knowledge percolates” (p.442). Whether this is truly *irrevocable* is open for debate, but it would seem that tracing the production and circulation of ignorance by free market think tanks and exposing the class power that undergirds it is essential if the skewed vision of the world presented by these institutions is to be countered.

¹¹ The tobacco industry actually produced research about everything except tobacco hazards to exploit public uncertainty (researchers knew from the beginning what they were supposed to find and not find), and the very fact of research being funded allowed the industry to say it was studying the problem. Since the 1980s, as the cancer risks have become more widely accepted, the industry’s goal has been “to control the history of tobacco just as earlier they’d controlled the science of tobacco” via the employment of historians (through substantial consultancy payments) to write articles and reports documenting the supposedly “beneficial” effects of nicotine through the ages.

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