

THE TIMES

We are missing a trick by not being like Mississippi

Douglas Carswell | Saturday, July 30, 2023

What comes to mind when you think of Mississippi? Steamboats on the river? Mississippi mud pie, maybe? Does America's Deep South conjure up images of cotton fields and backwoods poverty, full of folk who subsist on God, guns and grits? You might be surprised to learn that Mississippi, the poorest state in the US, is now wealthier than Britain.

Mississippi's GDP per capita last year was \$47,190, slightly above the UK's approximately \$45,000, though still well below the overall American average of \$70,000. While the UK's per capita GDP has stagnated for the past 15 years, Mississippi's has been rising rapidly to the point that it has just overtaken us.

For decades Mississippi was in the doldrums and median household income was low. It was the poster child for US deprivation, home to catfish, cotton, a spot of forestry and little else in the way of economic activity.

Three years ago I moved to Jackson to run a free-market think tank, the Mississippi Center for Public Policy. I made the move after 12 years as the MP for Clacton-on-Sea in Essex, first as a Conservative and then as Ukip's first elected MP, after I left the Tory party and won a by-election. Brexit was why I went into politics, and in 2020, we left the EU.

Why did I then come to Mississippi? I came because I saw a great opportunity to achieve change.

Over the past 40 years, those southern US states that have embraced free-market reforms, such as

Texas, Tennessee and Florida, have done remarkably well. Helping Mississippi adopt similar reforms would almost guarantee something similar. Frustrated by the inability of those who run Britain to change much for the better, I was attracted to America.

In the US there is an appetite for improvement, and those you vote for — especially at the state level — have the power to deliver it. That is why Mississippi is now overtaking Britain. In recent years the state has used its freedom to make bold free-market reforms. Last year it introduced the largest tax cut in its history, slashing income tax to a flat 4 per cent from 2026. Only a dozen or so US states have a lower personal tax burden. An average middle-class family with a household salary of \$50,000 might pay total federal and state income taxes in the region of 15 per cent, or \$7,676. In the UK, the equivalent rate would be 23 per cent.

For years the nepotistic “good ol’ boy” system handed out public sector jobs that were often comfortable sinecures. Now, in Mississippi, politicians compete to reduce the size of the public payroll. Ten years ago there were 649 public employees for every 10,000 people in the state. Today it’s down to 606 per 10,000. Thanks to these and other reforms, Mississippi is starting to prosper, with per capita income up 25 per cent over the past five years. In Britain, real wages and living standards have not grown since 2007.

Life is far from perfect, of course, and there is still plenty of inequality: 31 per cent of black residents live in poverty. Unemployment levels in the state are similar to those in the UK — about 3.5 per cent — but black unemployment is higher at 5.7 per cent. Nonetheless, attitudes have changed beyond recognition — for the better.

What my time in Mississippi has made abundantly clear to me is that the kind of change that has brought about such sharp improvements here in recent years simply isn’t possible in Britain today. Brexit, for heaven’s sake, was nearly nullified by Britain’s administrative state — and that had a direct democratic mandate from millions. What chance is there of any lesser reforms being let through without a revolutionary change in the way Britain is governed?

Until a leader emerges prepared to take on the obstructive mandarin the way Margaret

Thatcher took on and destroyed the National Union of Mineworkers, politics will remain stylised posturing and not much more. Britain could learn a thing or two from Mississippi.

Douglas Carswell is the President and CEO of the Mississippi Center for Public Policy.