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It is possible to have all the services we want from our government. Right now.

It is not just possible: it may be desirable. But there is a pre-condition. We will have to pay for those services. It's how we pay that's the issue.

The point I'm making is a simple one: we can have the health care we want, the education we want, the care for the elderly we want, the Sure Start we want. We can have them all. And because the people needed to supply them are already living in the UK but aren't working right now actually delivering them is not a problem - the resources are available, and in need of gainful employment. But, and it's a big but, if we're going to have the services we want and secure full employment or something approaching it we have to make some big choices.

The biggest choice we have to make is whether or not we want to consume more government services, or not. Read that again: I mean we have to decide whether or not we want MORE services.

I know we're repeatedly told we must have fewer services in the future than we have enjoyed to date as, it's said, we can't afford them now. But that, I can say with some confidence, is wrong. Cutting services is not the real choice we should face. Not least because that choice makes no sense at all because opting for fewer services can only do four things. It guarantees more unemployment, more benefits paid, no growth and long term stagnation in an economy based on fear of unemployment. So any serious economic policy for the Uk should dismiss that option out of hand.

And because we do now have 2.5 million unemployed people I'm also saying that it's not even a great choice to maintain the services we currently have either, although that's obviously better than cutting them. I'm saying the real choice we have to take now is to increase the quantity of government services we consume.

I know it's conventional wisdom to say we can't live off services. But that's wrong. We can. And we should, assuming of course, our material needs have been met.

We should consume more services because those 2.5 million people who want to work, plus the millions more who are the disguised unemployed currently undertaking involuntary self employment or nothing at all, have no prospect of working if we don't consume more government funded services. That's the only option there is for full employment in the near future: of that I am absolutely sure. My logic for saying so is simple - so simple it seems to have passed most people by.

First, I think it's glaringly obvious that many of the unemployed, involuntarily self employed and those on benefits want to work in full time employment. Our current government clearly does not believe that. They talk about forcing those on benefits to work - and are even paying large sums to private companies to force people back to work. The glaringly obvious point that there is no work for these people to have seems to have either completely passed them by or they do, like most economists, think that the unemployed choose to have that status. But that's absurd. When there was work in 2007 millions more people did work. And it's obvious that if there was work now people would take it. That means any rational person has to assume that current government policy on this issue is the result of incompetence or dogmatic incoherence. Either way, policy and reality do not match. What is very clear is that a policy for full employment, not a policy for cutting benefits is what is needed. It's old fashioned, but it's true.

Second, there's not a hope that the market will deliver these new jobs that we need. There are several reasons for being sure about that. First, the vast majority of people in this country already have enough 'stuff'. The evidence of waste, excess and an entire industry (advertising) dedicated to making sure we don't notice the fact by promoting new and unnecessary wants is evidence of this. Of course, I'm not saying everyone has enough: there is real poverty in this country, but that will not be solved by 'trickle down' from the consumption of waste by those with enough (or more) or by the market - when the people suffering poverty don't have enough votes (pounds to spend) to count as far as the market is concerned. Only transfer payments by the state and new regulation on living wages, and of course, creating jobs in which such wages can be paid, will deal with that. Second, growth has already stalled since George Osborne decided to rely on a market solution and given what's happening on the High Street I can't see radical change when this week's GDP figures are announced. Third, the Eurozone is in deep trouble and is our biggest export market so no growth is likely there. The Republicans are trying to do the same for the US. Fourth, business has (as I have often noted) run out of ideas for things in which to invest. There is no major technological change going on right now. Phones and notepad computers don't transform economies like washing machines, hoovers and cars once did. So business is instead sitting on its cash or is, instead, seeking to take over public services such is its poverty of thinking. And finally, business is heavily dependent on its biggest customer - the state - for business, and this government isn't spending. So business is not booming and won't be any time soon.

Third, there's the simple fact that environmental concerns suggest promoting yet more consumption of goods that are not needed - almost all of which are made by the market

- is not a long term economic policy.

Fourth, with an ageing population we need many more services. This is a simple, indisputable, fact unless we accept that a new policy of letting the old die is going to come about sometime soon. I know this is the way the US Republicans clearly want to go (there is no other viable interpretation of their latest economic policies) but unless we're to follow them down the path of saying the old will be allowed to die becasue they've over-spent their personal care budget then we must, inevitably, invest more in the care of our parenst and grandparents (and yes, let's personalise this).

Pull these facts together and we have a situation where:

a) we have almost all the resources we already need to supply the services we so very obviously desire;

b) if we used those resources (otherwise called people in this country) we'd save massively on benefits and considerably increase tax revenues. I've shown that for every £25,000 job created in the public sector the net cost is about £2,000 after saved benefits and tax paid are taken into account;

c) those people can't be put to work on making goods for sale in the market as there is no market for the goods they'd make;

d) unless we somehow 'get rid' of the unemployed as casually as the government seems to want to 'get rid' of the elderly who consume so many of the services they're cutting then those people are, come what may going to live, eat, consume and use public services in the UK whether or not they contribute their own services for the benefit of others in exchange for doing so.

What that means is that the marginal cost of employing all these people to supply the services we need is small: it is the additional payment they'd receive if they were paid for their labour instead of being paid not to provide their labour. And remember, they pay tax out of that additional payment. I'm not saying that the cost would be just £5 billion as my marginal costing implies: there would be other costs beyond the direct ones of employment, but they'd be much lower in net terms than any government has admitted, and that is my point.

There is, however, a price to liberating those people to provide those services though. First, we'll have to accept that the price of goods might have to go up to ensure that each of us consumes less of them. Or at least, the price must go up to ensure that what we consume is spread more evenly between us so that although these 2.5 million people will then be at work we overall import little or no more, overall. That won't make us worse off, of course: we'll have services to make up for the deficit. Since we waste goods and much ore rarely waste services we will almost certainly be better off: we just have to shift what makes up our income.

So why is this restructuring of spending to create a bias to services important? It's because we don't import services. Or at least, we import very few of them. We do import goods. Lots of them. And if we created full employment in this country then unless we changed our consumption patterns from goods to services we'd consume more goods than we can afford and that would mean we'd face the problem of a currency crisis. That's the continual nightmare for any government promoting full employment.

I am well aware that tariffs, quotas, duties and all the other mechanisms used to prevent imports are considered economically anti-social (even though on my logic here that's obviously not true). It's argue by conventional economists that such impediments to importing destroy wealth creating capacity. Not, I'd suggest though, by nearly as much as having 2.5 million people sitting around to ensure we have an open market does destroy wealth. Nonetheless, the sad fact is that the EU is built on the logic of open markets that benefit the richest in the community consume all the goods they want as indication of their ability to conspicuously consume. As a result the same EU 'free trade' logic is indifferent to the needs of the middle and poor in every European country, let alone the unemployed. That means many of the measures that might make sense when faced with our current problems, like increasing VAT on goods but not services, cannot work because they would be illegal under current EU law. But we can do much to solve this problem.

First we can ensure that the new services that will create employment are government supplied as of right paid for by taxation. Then VAT does not apply to them.

Second, specific taxes on specific services can be introduced. Banks and Telecoms are very obvious sectors that need to be taxed more. And so do those companies that exploit shortages in essential resources for profit.

In addition, taxes on specific goods can help: the precedents already exist for cars, alcohol, tobacco and other duties.

Fourth, we can very obviously increase taxes on those who consume most and most conspicuously, so promoting excess in other parts of the economy. That means higher rates of tax on those earning more than £100,000 a year, and significant restrictions on the allowances they can claim since there can be no economic justification at all for the state subsidising their savings and investments.

Next, we will, undoubtedly need to address abuse of capital flows where we can - most especially through tax havens. These places are the 'get out of regulation free' cards of banks and others who want to abuse capital flows. Cracking down on them will help pay for domestic employment opportunities.

And having taken such action, the capacity to pay those who supply the services we need will also have to be paid for by tackling the tax gap and by raising new funds for capital investment from pension funds. I have already explained how, here.

What this adds up to is a plan: a plan that recognises we have to create full employment.

A plan that recognises we need many more services that only the government can supply.

That appreciate that the cost of putting people to work when they are unemployed is very low: they already live in our communities so having them offer their labour in exchange for a living wage is only a small additional cost over the cost society already pays to keep them unemployed.

A plan that says we can tackle the foreign exchange impacts of full employment if we only choose to do so.

A plan that solves the problem of meeting the needs of the elderly.

A plan that will let us tackle envionmental issues.

And a plan that raises more than enough tax to deliver this from within the economy we already have - by focussing on the tax gap and the need for real investment.

This is an outline. It needs more detail.

But the fact is that a radically different economic policy is possible. Now. And we can afford. In fact, we can't afford not to do it.

And I suspect it is only time before one or other main party realises it.