

The Labour narrative - a work in progress

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Howard Reed is an economist who I respect a lot so when he writes a lengthy comment in this blog I think it worth giving I publicity. [He wrote today](#) of the Policy Network report on [Labour's election strategy published on Thursday](#):

I've just read the McClymont/Jackson Policy Network report and to be fair to them, I think it's been reported very misleadingly in the Guardian (as happens so often nowadays, sadly!)

While it is true that the report does say that Labour can't win the next election solely by relying on support from public sector workers (and I'd agree with that, given that only a minority of people work in the public sector, and even less after the ConDem cuts) the main focus of the report's conclusions is that Labour needs to deliver a positive message about economic renewal and growth to win in 2015 — with well-worked out positives which present a clear alternative to the ConDems (e.g. more activist industrial policy). I think this is right — the ConDem appeal to voters is based on negativity and fear and Labour has won most convincingly in the past with a positive message of economic renewal (1945, 1966, 1997).

It seems to me, given the thrust of the report, that McClymont and Jackson would be highly sympathetic to many of the policy ideas for economic renewal presented in *The Courageous State* and also *Compass's Plan B*, for example. So for me, the report isn't that bad — certainly a lot better than the last Policy Network publication, *In the Black Labour*, which basically said Labour should abandon the economic argument to the Tory Party. However, it's not a perfect report by any means. The main weaknesses in the McClymont/Jackson report, as far as I can see, are:

1) there is no way, realistically, to deliver social democratic outcomes without spending more than the Tories (or the ConDems, if they choose some kind of electoral pact) are going to want to do in 2015-20. Thus there isn't much alternative to Labour being defined as a party that wants to "tax and spend", at least to a higher degree than the Tories. But given the immense macro and microeconomic damage being caused to the UK by the cuts, I don't see this as a problem in itself. Rather, as Richard says, "the only

way to stimulate the private sector right now is for govt to spend". That needs to be the key message on the economy — along with explanation of what the money will be spent on and how it will benefit ordinary people.

2) There is no mention of the environment in the report at all and I think this is a very serious omission. "Growth" will only be possible insofar as it respects environmental constraints and in particular, limits to natural resources and limits to carbon emissions. Without that, our economic model is entirely sunk.

Just my $\hat{\alpha}$, ≈ 0.02 on this anyhow!

I agree with Howard that the Guardian's reporting of this report was not flattering and that it did contain more worthwhile elements than the Guardian suggested, but the most cursory glance at today's letters page in the Guardian makes clear just how far adrift very many people think Labour is, including I suspect many who simply will not vote at the next general election as a positive way of suggesting no choice offered to them is a credible or acceptable. In particular I think it worth drawing attention to the letter from [Chris Guiton, who has clearly read the pamphlet and says:](#)

While McClymont and Jackson's emphasis on an activist industrial strategy is to be commended, it's interesting what's not mentioned in their pamphlet. Where's the discussion, for example, about genuine steps to curb the power of the City; the development of a fairer, more progressive tax system, tackling inequalities of wealth as well as income; or action to return the utilities to public control. The continued focus on the squeezed middle, and rejection of increased public spending, suggests a political perspective wedded firmly to New Labour managerialism and an austerity-lite economic policy. Labour's problem is a failure to articulate an electoral argument to benefit the majority, low-income as well as middle-income.

I think that when this pamphlet is read in association with the previous Policy Network publication on 'fiscal conservatism' and also in the light of Ed Balls' too enthusiastic recent defence of the City just how easy it is to misread Labour economic policy documents even when, as Howard notes, there are merits to some of the arguments in this document.

That leads to the inevitable conclusion that the problem is that Labour has still not developed a coherent short narrative of what it can really deliver for the people of this country, starting with a commitment to create jobs. And let's also be honest; so far have none of us critics done that convincingly enough, as yet, either.