

If only Labour did have an economic policy - and a Cour...

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Let me begin with a tweet:

@[ChukaUmunna](#): @[Ed_Miliband](#) and @[edballsmp](#) have made absolutely the right decision on @[UKLabour](#)'s economic policies...

I guess it's hardly surprising that a member of the shadow cabinet supports his party leader, so that's not why I have quoted this tweet from Chuka Umunna. My real concern is something quite different, and that is that actually neither Ed Balls or Ed Miliband have said what Labour's economic policy is. If they had we wouldn't be seeing the conflicts we are this week.

I've already said - and it is as far as I'll go in accommodating Ed Balls' statement - that it's reasonable that Labour cannot say now which cuts it will reverse in 2015. That's obvious. I think Len McCluskey agreed with that. Anyone would.

And it's also reasonable that Labour cannot say now precisely what agenda it will put forward in 2015. Again, since we cannot know and possibly even imagine what mess the Tories will have created by then that is again fair.

But what's now very clearly going on is something that is much more significant than that. There is very obviously a coordinated effort to ensure Labour is forced to be a right wing party where singing the bankers' tune and following the neoliberal line is the core of the party's policy.

That is clearly the Guardian's agenda - overtly driven by Patrick Wintour who has been writing aggressively anti-Ed Miliband commentary for some weeks now.

And there's clearly been a coordinated attack by the right-wing of Labour, including Jim Murphy, Liam Byrne, Stephen Twigg and the Black Labour movement. This attack is well coordinated and well funded - some [guess Mandelson is behind that](#); I wonder [if Blair is](#).

The important point is all these people share a belief in common. I describe [it in the](#)

Courageous State:

The economic crisis we are now facing is the legacy of Thatcher and Reagan because they introduced into government the neoliberal idea that whatever a politician does, however well-intentioned that action might be, they will always make matters worse in the economy. This is because government is never able, according to neoliberal thinking, to outperform the market, which will always, it says, allocate resources better and so increase human well-being more than government can.

That thinking is the reason why we have ended up with cowardly government. That is why in August 2011, when we had riots on streets of London we also had Conservative politicians on holiday, reluctant to return because they were quite sure that nothing they could do and no action they could take would make any difference to the outcome of the situation. What began as an economic idea has now swept across government as a whole: we have got a class of politicians who think that the only useful function for the power that they hold is to dismantle the state they have been elected to govern while transferring as many of its functions as possible to unelected businesses that have bankrolled their path to power.

The fear I have - and so many have - is that this is the path to which Labour has committed itself. If there's a crisis now it is because it looks all too possible that this is true. Why is that? Simply because what we've had is the announcement of what the Eds will not do: they won't spend. So what they've committed to is a negative process. If they had simultaneously said we're going to on day one of a Labour government commit to job creation and this is how and with the proceeds of that policy which we're sure will work going to reverse the cuts as soon as we're able and we want to ask you to join us in committing to that process because it's the fairest, the most responsible, the most honest and the most accountable thing we can do to restore prosperity in Britain today then they'd not be in this mess. But they didn't do that. So let me quite another tweet: one I sent yesterday:

A plan for [#growth](#): close the tax gap; green quantitative easing; 25% of pension contributions invested in job creation. Go for it [#Labour](#)

That's 140 characters to deliver a whole economic strategy that I think would raise £60 billion annually for investment in job creation in the UK. There's some elaboration [here](#) and [here](#) and a lot more in the Courageous State. If Labour had done that it would have an economic policy. Right now it hasn't. All it has is a cuts policy - and that's why it's got itself in a hole of its own making. Until it has an economic policy - and one remarkably like the one I'm suggesting - it will stay there too.