

The reason for Labour's economic woes

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I agree with this by Howard Reed in [White Flag Labour?](#)

At the time of writing, all Labour has to show for eighteen months of opposition in terms of publicly announced economic policy — other than a continued commitment to the Darling plan on fiscal consolidation — is a five-point short-term fiscal stimulus plan, more transparency on executive pay along the lines suggested by the High Pay Commission, and some useful but limited commitments on taxation and utilities pricing.

At a time when there has arguably never been a greater need for a powerful broad-brush narrative on how Britain would be transformed, economically, under the next Labour Government, these measures are no more than promising dabs at the canvas. And it is this policy vacuum — rather than any failure to commit to closing the "structural deficit" — which is driving the current distrust of Labour on economic policy.

The need for that big narrative has never been greater.

The left has such narratives - the tax gap narrative is widely understood by many. So is the Green New Deal. Green Quantitative Easing is rapidly attracting attention more than a year after being first written. There is collective consensus on the need for a national investment bank. I have shown how to fund it using tax subsidised pension contributions. There are other narratives too, as Howard suggests on high pay and responsible capitalism.

It's time for Labour to embrace them.

But there are some within it who want Labour to lose - most linked around the Policy Network pressure group, a neoliberal group that seems to have forgotten all Labour's core concerns of tackling inequality and helping working people in its desire to huddle up to the City. And Howard and Compass are right to take them on because they need to be exposed as the cause of Labour's current downturn in the polls.