

A challenge to the People's Assembly to deliver an econ...

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This [comment was made on the blog last night](#) by someone I do not know called Chris Smith. With his or her permission (I do not know which) I share it in full:

I suggest that as well as developing an infrastructure of organisation the People's Assembly needs to build up an intellectual infrastructure. So often the left has been characterised as sentimental and good hearted, but unable to deal with the reality of economic necessity. Of course, this 'economic necessity' is a delusion, a piece of misplaced common sense on a par with the perceived flatness of the Earth. But the Left needs to be able to explain why this is so. It needs to be able to seize the commanding heights of the argument and to be in a position to rebut the standard attacks. Only if this is the case will its understanding become accepted as part of the common wisdom, and thus make possible consistent democratic support for the practical reconstruction that will be necessary in Britain and elsewhere.

Fortunately events have conspired to make this possible. The infallible markets school of economics has been revealed as nothing more than a dead theology (except perhaps amongst the goggle eyed!), real Keynesianism has been vindicated, and such things as Modern Money Theory supply new insights into the real workings of the economic system.

Perhaps the People's assembly could devote some time — set up a work stream — to develop such an argument, make sure of its intellectual consistency and empirical validity, and then — hardest part of all — try to express in language that ordinary people can grasp. This is something that the Labour Party has failed to do for many years, with the consequences that are now visible to all. Richard, I recall that a few days ago one of your commentators asked you for guidance on how he could counter the argument put forward by his local Tory MP that any expansion of spending by means of increased borrowing will inevitably lead to an increase in interest rates, and thus the cost of mortgages. You pointed him to the writings of Paul Krugman. If what I suggest is done, then your correspondent would not need to ask.

I accept that this work would be very hard and doubtless contentious. However, as our

rentier opponents would say, it will bring very big dividends in the future.

To some degree I see this as the work of the [*Class Think Tank*](#), where I am proud to be on the Advisory Board and for whom I have written. But the challenge is a real one.