

We can't reinvent the economy unless we reclaim the rig...

Published: January 14, 2026, 10:50 am

I have just spoken at the [Reinventing Our Economy conference](#) in Glasgow. This is, broadly speaking, what I had to say:

Thank you for asking me to speak today.

I am pleased to note that the theme of this conference is reinventing our economy. I think that's a great idea, but I have a suggestion to make before we get to the reinvention, and that is that we first of all take control of the economy we have.

Right now my suggestion to you is that we haven't got that control.

What's more I will suggest to you that unless we change our attitude towards the state and taxation we can't get that control. And in that case we will not reinvent anything.

So I have ten minutes to persuade you that tax is at the heart of the change in society that we all want. And I promise you that tax can deliver that change. That's why I am writing a book called *The Joy of Tax*. But before we get near achieving our goals we have to realise why right now opportunity is being denied to us. And tax is at the core of this issue.

To understand why that's the case we need to realise that tax is not just about raising money to pay for public services. That's just one of five things it does, all of which happen to begin with R.

So, tax also redistributes income and wealth to those who need it.

And tax reprices goods and services that the market fails to price correctly — things like those products that pollute, or things which are finite, for example.

Vitally, tax lets us reorganise the economy if only we'd let it. It's tax that can take the heat out of an economy that's over-consuming. And it is tax that rebalances an economy when it's down — because that's precisely what deficits do: they keep us going when nothing else does. Let me assure you — that without the deficit right now

Scotland, the rest of the UK and much of the world would be, to use a technical term, economically stuffed. Which is precisely why we can afford the deficit we're running.

And finally, because of all these things that tax can do tax is the way in which the choices that are available to us in a democracy can be put into effect. Tax does then raise the prospect of representative choice — the fifth R.

What I am suggesting to you is that neoliberal politicians know all this. That is precisely why they are making sure that tax cannot work.

The myth that we have an unsustainable deficit that must be reduced at all costs is being used to deny us choice.

So we're told that raising tax will drive wealth creators out of the country — whichever country we have next week. But that's not true. We are the wealth creators. You, I and all the people in this country make our wealth if only we're liberated to do just that. Government investment and support could help us achieve that aim, but we're being denied the chance to fulfill our potential whilst the wealth extractors are being given every opportunity to do as they wish.

And we're told we can't afford green taxes because people are already too hard up to pay them. But it was government policy that has left people in that situation.

And they say we must not interfere with the workings of the market so we must charge as little tax as possible. We must stand back, they say, and let the market work. Except we know it doesn't.

And to make all that happen they find a deficit very useful, because that can deny us choice because we're told choice is an option we cannot afford when cuts are our priority. So cuts are the ultimate 'there is no alternative' policy option.

Except there is a choice.

The government could properly estimate the tax gap. They say it's about £35 billion. I think it's three times that — or more than £100 billion a year.

We could invest in staff to collect the money unpaid to HM Revenue & Customs and create what a genuine market economy wants and needs, which is a level playing field on which only honest businesses can compete. But the so called free marketeers refuse to do that, and you have to wonder why.

And the money that closing the tax gap raises could by all means be used in part to close some of the deficit if that's what's absolutely necessary — which it very obviously isn't because the government can issue all the debt it's creating at incredibly low interest rates right now.

Or alternatively that money from closing the tax gap could be put to use.

It could deliver what we as a society want. Things like housing. And sustainable energy. And long term transport infrastructure that reduces our dependency on oil. Or flood defences. And yes, schools and hospitals too. Plus investment in tidal energy and other new technologies. And on and on and on.

These are the things we'd all vote for if only politicians were persuaded that they can offer us the options we want if only they'd stop fixating on cutting the deficit.

And they could do that right now if only they realised that firstly no government has to balance its books if people want to buy its debt. What we must do then is remind our politicians that there is a flip side to the debt story, which is that for a great many people government debt is a valuable asset they really want to own for two very good reasons. The first is that it's the safest place they know of for their savings. And second, they believe that it's governments and not stock markets that hold the keys to our future.

Second, we must persuade our politicians that they can offer the options we want if only they realise that out there in the economy right now there is maybe £100 billion of tax each year that rightfully belongs to our government which they've simply got to go out and collect. We won't get it all, but I am certain we could get enough to change our economy forever.

If only we can grasp these two rather basic facts then we have the power to reinvent our economy, I promise you.

But that's only possible if first of all we reinvent our attitudes to tax and we reinvent our enthusiasm to collect it.

Then we can have the equality we want.

Then we can price into play the sustainability we need.

Then we can have the investment in our future that we so desperately want.

And then we can have the real choice that only democracy can provide.

Neoliberalism want to deny us these things. That's not out of necessity. That's out of choice. And the deficit narrative has been a great gift to them because its let them deny us these choices. That's why all the neoliberals are offering us one option at the next election — which is a world where tax is denied its chance to liberate us.

So the reinvention of our economy must begin by saying another world is possible.

A world where we don't tax and spend.

But a world where we tax to build the economy we want for the future we want for the life we want based on the hope we have for the people we can be.

That's the Joy of Tax.

And we can have it.