

The Observer's bankrupt when it comes to Labour

Published: January 13, 2026, 9:26 am

If you read the Observer today you would think that the Tories will rule in the UK until at least 2030.

You would also believe [that Labour has taken leave of its collected senses](#) to even have Jeremy Corbyn as a member.

And that a triumvirate based around [Liz Kendall](#), [Chuka Umunna](#) and [Tristram Hunt](#) is the only group in touch with reality.

It goes on, and on, and on, all based around Andrew Rawnsley's jaded perspectives, an appeal to people to believe the findings of a small set of focus groups (Really? After all Labour's experience of them?) that say some people might never return to the Labour fold after 2015 and a poverty of analysis that belittles the paper.

What do I mean? Take this example (and there are so many more in today's paper it could provide enough material for a PhD thesis) [from the editorial](#), where it is said that Labour must learn that:

Parties can help shape ... questions, but they can't tell voters what they should be and certainly can't ignore the ones that they don't like.

And yet only paragraphs later the same editorial notes:

Even as the Conservatives are masterfully shaping the territory on which the 2020 election battle will be fought, Labour is focused on an introspective conversation with its members, not a dialogue with the country.

When the paper cannot even be internally consistent on what is politically possible from the left and right - one of which can apparently define the whole agenda for discussion, and so opinion, and yet the other can't - within the same editorial its inability to construct an argument becomes painfully clear.

The whole paper is riddled with that inability today. Take [this wonder from Alistair](#)

[Darling](#) from today's edition where he says:

We want people to get on, each generation building on the achievements of the last.

Quite right Alistair. And then he adds:

That needs a strong stable economy, but also needs investment. Borrowing to provide housing or a decent transport system is a good thing and we should say so.

I agree. And then he offers this next observation:

And yes, we need to get debt and borrowing down, as I have always said. I'm glad Osborne was able to meet my target.

Any you wonder why people aren't voting Labour? Let me explain it as a non-party member who looks at politics but does not partake in it at a party level.

The problem is threefold. First what Alistair Darling says is incoherent economically unless you say a) that you are going to screw the electorate for large sums of money to pay for the investment or b) you're going to do more of the much hated PFI that is shifting vast amounts of public funds to the private sector or c) you're going to do what I call [Green Infrastructure Quantitative Easing](#) but which Jeremy Corbyn calls People's QE (as far as I can tell they're the same). But Alistair did none of those things. I don't suppose he has a clue what that form of QE is so he looked stupid, and deservedly so. And people, even people who know little of economics, have rumbled that. Until Labour talks economically literately it has no hope, and it is not.

The second problem is also implicit in Darling's comment: he ended up playing on Osborne's territory. That's because Labour has no story of its own. This myth of the middle ground is nonsense. It's a fabrication. It's a lie that there is such a thing. The middle ground is simply where people are in the prevailing narrative. It's where that narrative has taken them, but let's not pretend that parties cannot move where that is or should not want to do so: the Observer editorial recognises implicitly - but without the candour or wit to admit it - that this is what the skill of the Tories in the last decade has been: they have been able to move the middle ground their way. But what they then argue is that Labour should not seek to change that fact, or where the middle ground is. What the Observer is saying is that Labour must play by Tory rules on the middle ground the Conservatives have created.

But why would they do that? If sending people into poverty, deliberately; slashing funding for the NHS; cutting investment in education; sending undergraduates deeper into debt; holding wages at near poverty levels; offering tax cuts for the richest and no one else; threatening to end the BBC and going to war without bothering to tell anyone is the middle ground then the Observer has clearly lost the plot. And anyone saying that this is where Labour needs to be, or thereabouts, has also lost any scintilla of

reasoning they might have once possessed. It is this loss of reason so that they are even unable to identify the true nature of the problem that they face that is the third problem the likes of those in the Observer who think that they are on the left face.

It is this lack of intellectual capacity to reason that impoverishes Darling, and it is the same problem that cripples the Observer: somewhere within it (I can't be bothered to re-find the link) it is said that all parties die in the end and so, it is claimed Labour must die if the left is to go forward. But implicit in that statement is the glaringly obvious fact that so too will the Conservative Party and its current narrative die, and yet there is not in any one of the many articles the Observer publishes today (with the single unifying theme of attacking Jeremy Corbyn) any hint of this possibility. What is astonishing is that when the Tory narrative on Europe is close to shredding itself and that people may reject the whole Tory edifice when they lose parts of the NHS, education, the BBC, or just the nation as Cameron shatters the Union which was supposed to be the basis of his party, the Observer seems quite unable to notice any such possibility, at all.

So let me offer explanation for what is happening. What the Observer is really saying today is that it thinks there is one hegemonic narrative in UK politics and that it thinks it is neoliberalism.

It is saying that any threat to that narrative, from wherever it comes, should be challenged. So Corbyn is unacceptable.

And it is saying that Labour must oppose the Conservatives from within that constraint of subscribing to neoliberalism when the whole basis of neoliberalism is the shrinking of the state, the increasing division of reward, the privatisation of gain and the outsourcing of risk, all of which should be antithetical to Labour as I understand it.

So let me tell the Observer a simple fact: opposition on that basis is not possible. If the middle ground is neoliberalism a policy called neoliberalism lite is not going to work: from the outset that is by definition both a failure and bound to fail.

Opposition now is to take control of the narrative. Opposition then, when neoliberalism has become so universal in apparent appeal (except, that is, in Scotland, Wales, Northern Ireland and significant parts of the North), is about offering a different narrative. It has to be: neoliberalism is a totalitarian logic of exclusion. The Observer's logic is not just appeasing that totalitarianism in that case, it is in the process supporting it. This is not a situation where ambiguity is possible. You're either for or against neoliberalism: there is no possibility of sitting on the fence and the Observer has made clear today on which side it fits.

So what is the alternative narrative? Is it some bizarre logic, as all Jeremy Corbyn's opponents would wish to suggest? Without wishing to be involved in party political debate - because, I stress, that is not my bag - I suggest not.

Instead it is a narrative that says people are the foundation of wealth, whoever they work for.

That means this is a narrative that values people equally whether they work for the state or private sectors.

And it is a narrative that says let each do what it is best able to deliver.

But which also says that if markets are best able to deliver then they have to be based on certain rules, like transparency, accountability, paying taxes, the prevention of monopoly power and the promotion of enterprise and not rent seeking speculation, because in case the Observer has forgotten it, these are the qualities that make markets work when the concentrated power of neoliberalism is simply about reward extraction by a few from the effort and assets of the many, and is as far removed from real market theory as Soviet tractor factories were.

None of which then says that this alternative narrative is opposed to business: far from it, this is a more pro smaller business agenda than anything that the right has put forward for decades because of the right's bias towards wealth, big business and globalisation, all of which are the antithesis of small business success.

And that narrative has to recognise that effort is and will be rewarded but that the right to enjoy that reward is dependent upon complying with the democratic wishes of the society of which a person is a member, including its expectation that redistribution to deliver greater equality is not just the right thing to do, but a basis for enhanced prosperity for all in the long run.

That narrative also says that the state must and will use the powers available to it to deliver these goals if it is to be responsible. So it will invest when it thinks fit, and create the money to do so (back to QE) when the market will not deliver the scale of economic activity that the country can sustain. Wouldn't anything else be wholly irresponsible?

And it will regulate to correct market failure, whether by banks or in the environment.

And it will foster employment by reducing the taxes on labour and increasing them on unearned income.

And it will not waste resources paying housing benefits when it would be better off building houses.

And nor will it penalise the young and lay a lifetime burden of debt upon them when they are the basis of our future prosperity.

There is much more to the vision, of course.

But for heaven's sake, if the Observer cannot see that it is only by talking about alternatives that Labour (or any other left of centre party) can put together the necessary coalition of interests to create change in this country then no wonder they back Labour leaders who might, like the last shadow chancellor, feel comfortable discussing VAT on replacement windows but ducked big issues like the tax gap.

Or to put it another way, if a debate is to take place, shall we make it about something more than the positioning of deckchairs whilst neoliberalism steams on?