

Credible economic policy for a resilient mixed economy

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The last couple of days have been pretty hectic. The world noticed that Jeremy Corbyn was using my data [on the tax gap](#) and my ideas for what he has called [People's Quantitative Easing](#), but which began life here as [Green Infrastructure Quantitative Easing](#). Chris Leslie gave them the combined name of Corbynomics: I have to thank him for something.

I am, of course, not complaining. I have for more than a decade worked to develop new ideas on how to tackle poverty, develop the economy for the benefit of all people and not just a few and to reform the way in which the financing needed for essential investment can be provided. That the ideas have found a new home is, to me, very welcome and I am grateful to Jeremy Corbyn and his team for adopting them.

In saying that I want to make clear I am not the only person on whose ideas he has drawn. He has said publicly that he has also drawn on the ideas of Joe Stiglitz and I am aware that Ann Pettifor is also, very definitely, advising. I believe Prem Sikka might be too, and would rather hope he is. By no means all of them are Labour Party members. I am not. But we are drawn together by a shared concern and belief that [Paul Krugman noted](#) rather well in the New York Times this week:

[I]t's really important to understand that the austerity policies of the current government are not, as much of the British press portrays them, the only responsible answer to a fiscal crisis. There is no fiscal crisis, except in the imagination of Britain's Very Serious People; the policies had large costs; the economic upturn when the UK fiscal tightening was put on hold does not justify the previous costs. More than that, the whole austerial ideology is based on fantasy economics, while it's actually the anti-austerialians who are basing their views on the best evidence from modern macroeconomic theory and evidence.

Hardly surprisingly I am inclined to agree, as I am also with this that he added:

Nonetheless, all the contenders for Labour leadership other than Mr. Corbyn have chosen to accept the austerial ideology in full, including accepting false claims that Labour was fiscally irresponsible and that this irresponsibility caused the crisis. As

[Simon Wren-Lewis](#) says, when Labour supporters reject this move, they aren't "moving left", they're refusing to follow a party elite that has decided to move sharply to the right.

I am quite sure that is true. I have already been asked by journalists a number of times this week where my political views are located on the left / right spectrum. Having made clear that I am not a party politician and endorse and only comment on the use of ideas and not parties I then do suggest that I have views that might suggest I am left of centre when it comes to inequality and the means of tackling it whilst remaining firmly committed to the merits of the mixed economy, which I outlined in [The Courageous State](#). So I put myself in the middle. at most, on the left, being well aware that there are those far to the left of me whose ideas are far removed from my own and those that, for the record, I hear from Jeremy Corbyn and his team.

Despite this the media is in a frenzy, as is much of the Labour Party, about the 'hard left' and such terms. I am genuinely bemused by that. Not believing in the fantasy economics of austerity does not make a person hard left. Nor does believing that the state has a role in the economy make one hard left. And the IMF and OECD have both highlighted the harm caused by inequality and the role progressive taxation has to take in tackling it (although it cannot solve the problem without further action, on things like the minimum wage). In addition, how believing that the state should be responsible for providing the infrastructure that underpins a thriving mixed economy is 'hard left' baffles me: it is simply what has been shown to be as necessary as a well trained and healthy workforce who can live without fear of old age are to market prosperity.

So on the left, I agree.

Hard left? That's a joke. Middling, at most.

And of free and open mind to endorse at will? Most definitely.

But in that context it is quite clear that Paul Krugman is right: of all the Labour leadership candidates Jeremy Corbyn is the only one offering a credible economic policy right now, even if I accept I am a little biased on the issue.