

On Corbynomics, last night

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This is pretty much what I said on the subject of Corbynomics last night:

Less than three weeks ago the world had not heard of Corbynomics. Me included. And then Chris Leslie, a man known to many of you here, attacked it in newspapers and on Radio 4. And the world noticed as a consequence that what Jeremy Corbyn was saying about economic policy was quite new and radical.

They more than noticed, in fact: they've dedicated acres of newsprint to it, including big chunks of the Financial Times. When was the last time a Labour party candidate achieved that?

And I'll summarise what they've said. Robert Peston of the BBC called it 'radical new thinking'. But what they almost all, the FT included, agreed upon is that what Jeremy is proposing will work. And then they have said, almost without exception, that they really don't like it. So let me tell you what it is, why it works and why you should like it.

Jeremy's message on the economy is as unambiguous as is his message on other issues.

First he is saying that when you plan an economy you put the needs of the people of the country you're presenting first.

In case of doubt let me be clear what that means.

It means people have priority over bankers.

Employees have priority over shareholders.

Tax paid has priority over top executive bonuses.

And housing, schools, and transport have priority over bailing out the financial system.

This is not just rhetoric: this is really important. And saying it is, in itself, radical if we're

comparing what Jeremy Corbyn is saying with what George Osborne is doing and what too many politicians are now copying.

Osborne's approach is that of the accountant. I can say that: I am one.

All he's interested in is balancing the books. How, or why, he doesn't care. That's his number one aim.

Well I have a message for George based on my experience of running real businesses, which is something he's never done: it is that if all you aim to do is balance the books you fail the customer and you fail your employees, and because you do that you end up going bust, even if the books do balance. And that's what Osbornomics will do for the UK.

Corbynomics is different. It focuses on meeting need. It says that unless people come first nothing good will happen in this economy. And by doing that Corbynomics will deliver three things. It will deliver growth. It will deliver increased tax revenues and it will as a result — I stress, as a result, but inevitably nonetheless - balance the budget. This is economics from a politician who cares. Not about balancing the books, but about you.

Business only succeeds when it cares about its customers, and it balances the books as a result.

Corbynomics will succeed for exactly the same reasons.

But let's be clear, Jeremy will inherit a mess from George Osborne in 2020.

There will be a deficit. There will be a massive lack of investment. There will be little or no wages growth. There will still be unemployment.

And because Osborne's plans are wholly dependent upon ordinary people and businesses getting more deeply into debt than they have ever done before we could have had another 2008 style crash by then.

So Jeremy is developing plans to tackle these issues. That's what responsible leaders of opposition parties do. They don't sign up to their opponent's policies and say they'll deliver a bit more of the same, even if they've failed. They oppose by saying there is a better plan in town, and they've got it.

So in 2020 there are going to be some real, big issues to tackle.

The first will be the need to boost the economy. After more than a decade of the lowest growth in the UK's history there will be a desperate need to invest. In transport, in schools and hospitals and energy systems fit for the twenty first century.

And there will be need for new and secure jobs in every constituency of the UK paying decent wages, with training, where union membership is recognised and equal rights are really respected.

That's precisely why I think Jeremy is proposing the creation of a new National Investment Bank to invest in the future we need.

That's why he's borrowed my ideas on quantitative easing, renamed them as People's Quantitative Easing, which is just fine by me, and has said, as I have done, that this mechanism could be used to fund our future.

How radical is this? Let me put it like this. It's the equivalent of the much-hated public finance initiative. That might dismay you until I remind you of the similarities and differences.

Like PFI People's Quantitative Easing funds essential public investment. Like PFI it does so without increasing the deficit. Like PFI it does so without increasing government debt.

And then there's the key difference. It's at least ten times cheaper than PFI. And it's wholly under state control. And not a single banker gets richer as a result of it.

Some people have said People's Quantitative Easing is just a trick. Maybe it is. But it's a vastly better trick than the PFI one that's been used by Conservative and Labour governments for the last twenty years. What I've done is improve the trick. Now it works. Now it's affordable. And this time there is no rich banker in the middle of. No wonder the FT and all who read it do not like it. This isn't named People's Quantitative Easing for nothing. You are the winners.

But for suggesting it I've been told that I am dangerous. Well I'll ask you some questions and you decide.

Is it dangerous to want to build schools?

Is it dangerous to want to build hospitals?

Is it dangerous to want to limit the role of bankers in the economy?

Is it dangerous to want to fund public investment at the lowest possible cost?

So let me move on, as I know you're really here to listen to Jeremy, to the other key bit of Corbynomics that the press have lined up to criticize. That is Jeremy's tax policy.

What don't they like? The first thing they are really unhappy about is the fact that Jeremy is committed to a progressive tax system. That's one where the best off pay a bigger part of their income in tax than everyone else does. That, I can tell you, is not

what happens now. But it should be. And for good reason. The reason why Corbynomics says that the richest must pay most in tax is that they have the most money. It's not rocket science, is it?

And the reason why they have the most money is not because they're oh so clever. I know they think they are, but the reason why the chief executives of the UK's top 100 companies are paid 183 times the average rate of pay in the UK is not because "they're worth it" or "it's because they have delivered full employment, long term growth, fair wages for their employees that are growing year on year and investment that is transforming the UK and leaving the world in its wake". No, it's because they can put their hands in the till and take whatever they want.

That's one of the very good reasons why Jeremy has said we need to look at the way UK companies are regulated and governed.

It's why we need workers on boards.

It's why we need pension reforms so that pension funds act in the interest of their members and stop this sort of abuse.

And it's because the resulting massive income and wealth inequalities that result from such activities by the 1% are threatening economic growth, well-being and the chances of the 99% that both the International Monetary Fund and the Organisation for Economic Cooperation and Development — hotbeds of socialism the pair of them — are demanding that governments around the world take action to tackle income and wealth inequalities.

Uniquely in this leadership campaign, as far as I can see, Jeremy has taken note of that reasonable demand. And he is saying that he will deliver a progressive tax system for the UK. Which I can tell you is exactly what we need.

Jeremy's doing something else as well. He's saying that at long last he will commit the money that HM Revenue & Customs needs to really start closing the tax gap. I have estimated that tax gap — which is the total tax cheated each year - at £120 billion — and have laid out all my calculations for anyone to read. I have also explained in depth how I think at least £20 billion of that lost tax can be recovered for an investment of a billion pounds, or thereabouts.

I stress, no one has said anyone can get it all — only fevered minds that can't read statements made in plain English have suggested anything else. But just to get this change will demand real changes and real reform at our tax authority — including a new Board that is not made up solely of people representing big business, as it is right now.

And that brings me to the point of all I have said. For thirty or more years we have been

told about TINA — that There Is No Alternative. Corbynomics, and Jeremy's whole campaign is saying something else. You came tonight for a rally. Well actually I want to tell you that you came for a funeral. Tonight I want you to bury TINA. The time of their being no alternative is done. TINA Is dead. Tonight I tell you There Is An Alternative. Jeremy Corbyn is offering you that alternative. Let's welcome a new era, new ideas and a politics that for the first time in many of our lifetimes is about you, and what you want. Which is what Jeremy Corbyn wants. Which is what Corbynomics can deliver.

This is our chance for change. Please grab it, with both hands.