

How is Labour's social movement going to transform neol...

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I noted this comment in the Observer yesterday from [Emma Rees, a Momentum national organiser](#):

For many, Labour might be the slightly nicer face of the establishment, but it's still the establishment. It has failed to present a genuine alternative to the market-driven, austerity economics that sees inequality spiral and puts profit-making above people time after time.

I think that may be true: there are a lot of people who grew tired of New Labour for precisely the reasons noted. But what worries me is the alternative.

First, since both leadership candidates say austerity is dead and I have no more reason to trust one than the other, let's assume that's true for Labour as a whole now. But in the case of Corbyn's Labour we are then offered a non-market driven economy where profit making does not have priority. That's fine: I wrote a book called [The Courageous State](#) that envisaged such a possibility. I would recommend it. But I have heard no one come near the issues I addressed that have to be on the agenda if this idea is to come close to fulfilment.

For example, let me note an issue that I have not heard anyone discuss during this election. It's called advertising. It drives markets. It creates artificial needs. It is designed to keep people in debt. It inspires over consumption. It creates misery. And all to make profit. If markets are to be contained for social good then so has advertising to be managed. And that means a lot of discomfort. No more Google, Facebook or Twitter for free, for a start. Or a lot of sport. Or most of our media. Has anyone thought this through?

I had the courage to do so in *The Courageous State*. I said this on solutions (although the analysis of the harm and theoretical consequences was much longer):

Taxes on advertising

Advertising is, as has been noted, designed to deliberately create feelings of

dissatisfaction. Adverts are intended to undermine the prospect of a person achieving their purpose by encouraging a sense of inadequacy among their target audience because they do not have the promoted products or services, whether or not they have a real need for them. This is immensely harmful to society, not least by denying hope to those who have no prospect of acquiring the products advertised, and by breeding discontent even among those who can afford them, because so soon after they acquire such products they are informed that they must now acquire another in a continual process of artificially manufactured dissatisfaction fuelled by advertising.

Advertising is pervasive in the modern economy, but pernicious. A Courageous State will have to tackle this issue and there is no doubt that one way to do this would be through the tax system. There is, of course, advertising that is of benefit, including small advertisements in local media, job advertisements and such other announcements. Most of these could be exempted from any tax penalty on advertising simply by setting a monetary limit per advertisement below which such penalty would not apply. Above that limit, where the advertising in question would be designed to fuel demand for products and services whether or not they were a benefit to the consumer in society, there must be a radical overhaul of our tax system as it relates to advertising.

First, no tax relief on such advertising should be available within the tax system, so that the cost of advertising cannot be offset against the profits generated from trade to reduce a taxpayer's profit on which they owe tax.

Second, any value-added tax charged on the supply of advertising services to a business should be disallowed as an input in the VAT claims it makes from H M Revenue & Customs. In other words, that VAT then becomes a business cost of advertising.

The impact of these two moves is obvious: it is to increase the cost of advertising, and that would be deliberate. Tax has to be used to counter the harmful externalities created by the market, and the feelings of inadequacy, indifference, and alienation promoted by advertising in very many sections of society are almost universally harmful.

There would, however, be a cost to such arrangements: the media would of course suffer from a loss of income. The media has, however, itself been under scrutiny of late, and has not always emerged with its reputation intact. While media independence is vital, so is its objectivity and in that case there appears to be strong merit in using some, or all, of the additional tax revenue raised by government as a result of these proposed taxation changes on advertising to fund the media, both nationally and as important locally, but only if it agrees to act with political impartiality in the way that the BBC is

obliged to do. If it did that then I think funding to compensate the media for some of the loss of revenue it will suffer as a result the loss of advertising revenue would be appropriate.

But also note that what is being suggested here is hardly without precedent: when it became obvious that business entertaining was giving rise to abuse, tax and VAT relief on it was stopped in much the same way as I now suggest for advertising. Many said that the restaurant and other trades would collapse as a result. They did not, of course, do so.

Ban advertising to children

A type of advertising that is particularly pernicious is that aimed at children. There is no parent that cannot recount the nagging of a child who wants a product that is either beyond the parent's means or that is wholly inappropriate to the child's needs who cannot also directly attribute that demand from their child to advertising aimed solely at children.

There is only one solution to this problem and that is to ban all advertising aimed at children. This will not stop children enjoying their lives to the full; indeed, as almost any parent will tell you, a cardboard box is one of the best toys ever invented, with the stick a close-run second choice. And of course, any parent will be at liberty to take their child to any toy shop whenever they like with a child able to make a better, more informed, and freer choice if advertising does not distort their prior decision-making. Creating young people able to form their own opinion is one of the strongest objectives of the Courageous State. Banning advertising aimed at children is one way to achieve this.

This type of suggestion is what turns a social movement into politics. That process requires the promotion of real policy. It also requires that solutions be offered. The above is an example of such thinking: this is seeking to transform society for the better. But most of what has come out of Jeremy Corbyn's campaign so far (even the education policy which fails to mention the problem of existing student debt as far as I can see) is nothing like this.

So is this movement really as radical as it claims?

And is it a place where real thinking is going to happen when, for example, the economic advisory panel to John McDonnell met just twice in the period it existed?

I think it's entirely fair to ask this because right now I am not seeing anything like the scale of initiative I expected if the hype and the policy announcements (which are pretty mild and candidly, often little more than back pedalling to New Labour days) are to be reconciled.

I am open to serious comment. But please don't waste my time and other reader's time with nonsense.