

The tipping point for real change may be closer than we...

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I have had a chance to have several quite long conversations with people with some experience of the political economy over the last couple of days. The subject has been the state of despondency amongst many on this blog.

Some have been of fairly linear opinion. The left is in a trough. These things happen they say. Give it a decade or so and some time in the 2030s the tide of opinion will turn. It's a plausible opinion, of course. Remember just how unelectable the Tories seemed to be around the turn of the century? That's where the left is now is the argument: bide your time.

Others, quite appropriately, fear plutocracy, or fascism or a variation on that theme. And why not? The risk is very obvious. I've always accepted the possibility. And we should worry about it.

But there is another view that I am much more inclined to subscribe to. This is vastly more optimistic. This is what might be called the post-Gramscian view. Gramsci famously said:

The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear.

We may be morbid (to use Gramsci's language) but Gramsci did not think this period would last: it was inevitable that the new would be born. It's what I would call a post-Gramscian view to presume that this might happen soon.

Suppose that instead of heralding an age of populist extremism the current swing to the right represents a death throw of capitalism as we know it?

What if we presume that the tax narrative that the Tax Justice Network, I and others have put forward is right?

What if tax havens are, as we predict, the cancer in neoliberalism that kills it by destroying entrepreneurialism from the inside?

What if, as Trump already suggests likely, that right wing populists drain the swamp by seeking to drown all those who live around it?

What if, in that case, tolerance of the capitalism that has been really expires and the demand for real change becomes so compelling that it become necessary?

What if, in other words, there is a tipping point?

Tipping points are not created by majorities. They are the consequence of vocal, persuasive, persistent minorities creating compelling narratives. The first narrative suggests that what has been is no longer sufficient. The second makes clear that the insufficiency has lasted for long enough. The third suggests that the risk of the alternative is worth taking. What is, in the post-Gramscian view stage one is already complete, stage two is well under way and stage three is not far off?

Is it, perhaps, paradoxical that this last process of change inevitably requires an unusual degree of entrepreneurial risk. I stress, that does not necessarily mean the capital invested is merely financial, although some might be. Rather, this is entrepreneurial capitalism that requires a combination of social, intellectual, emotional and financial capital.

The investment will be in three things. The first will be new prosperity, which is the inverse of the current perceptions of relative poverty created by growing inequality.

The second will be in empowerment. This is the inverse of powerlessness.

Last there will be hope, which is a simple belief in the future that so few now have.

I do not however think there will be a revolution as such to achieve this change. Indeed I hope that is not the case: revolutions are messy, result in too many casualties and take too long to recover from to be useful. Saying that, I am not for a minute saying the change that is needed will happen without some social disruption: I think that inevitable. Nor do I rule out some protest on the way. That may be necessary. When I am saying is that what we will end up with will not be revolutionary, by which I mean that we will recognise that large parts of the new are adaptations of what we have now.

So, for example, we will still have nation states. And we will have democracy. But it will be more representative than at present. And we will have worked out how best to devolve power and taxing rights downwards within a stable macroeconomic and socially cohesive framework of support in ways that we simply do not understand now. This also means we will still have politics with a range of political parties with which we are not wholly unfamiliar, except they will coalesce around a new consensus that will not look like either the post war settlement or the neoliberal era.

We will also still have a mixed economy meaning that companies large and small will co-exist alongside the new more accountable government. Names we know now will

still exist: the existing world order will not be swept away but will morph. In the process it will, however, change considerably. Mark Carney has made clear this week that existing capital markets are hopelessly unable to meet the demands of climate change because they are not supplied with the data to make appropriate decisions on the allocation of capital. I could have (and have) said exactly the same thing of all those issues, such as geo-political risk, where country-by-country data is required to hold global capital to account locally so that appropriate capital allocation decisions are to be made. To put it another way, I think accounting may well be an engine of the change to come in society

The new information that MNCs are going to have to supply over the next decade, whether they like it or not, is going to change them, enormously. When you measure things differently you change what you measure and what its priorities are: the fight for accounting reform in MNCs is in this context a struggle to control just what the corporation will be.

Which is why arguing that it is accountable to its stakeholders is vital because that restores their power in the enterprise.

And this is why workers on boards matters.

And why environmental as well as country based measures are vital.

The issues we are engaged in are about negotiating the new licence to operate for capital in the future. No wonder the stresses are high.

And under the terms of that new licence people, whether employees or communities of interest, are going to have a greater say. This does not mean a return to old style trade unionism which was as embedded in protecting the particular rights of some vested interests as much as capital has ever been. It will instead be about negotiating those rights in a new space. Might this be called the commons as George Monbiot has suggested? Or is there a better term? I cannot be sure as yet, but I am convinced that this will happen.

In this space the enclosure of wealth will be broken down. Not all disparity will disappear; I offer no pretence of that. But the disempowering and economically disabling concentrations of wealth will be broken. Transparency will see to that, shattering the veil of secrecy that has permitted such dangerous accumulation. Wealth tax will be a mechanism to assist this process. But so too will changes to access to land, including the need to ensure communities have the space in which to live that only social engagement and ownership will supply.

How will society change? This is a critical question and I can only guess at answers but I suspect some quite notable trends will emerge. Local will be more important. An emphasis on quality of life may succeed a focus on material accumulation. The lure of

technology will recede: the era of vinyl is returning for a reason. The engagement of people in the process of making their own entertainment (beginning with turning the record over) will grow because this process, mutually undertaken, will be a source of pride, and so hope.

And communities with hope are more tolerant.

They are also more forward looking, by definition, which is why sustainability will grow in significance.

And as a result I think extended families will probably have a greater role than at present for many. This will not just be because of a growing sense of place. It will be because place and social well being will become synonymous for many. The result will be very different social relations.

Is this hopelessly naive? Of course it could be. I go back to my start point: we may just muddle along, as before. Plutocracy may instead take hold. But in the current Gramscian moment, and even in the apparent movements to the right, there is change taking place that might suggest that the relationships between many people and power and wealth are changing.

Hierarchies of power based on existing wealth structures, many implicit in the pyramidal structure of the corporation, are waning as it sheds tiers of management from those MNCs who underpinned hope in that system. That hierarchy has not been replaced with anything more than anger and disquiet as yet. But the demands for accountability, if met, will refocus that whole relationship into something quite different: the focus of power will shift if the corporation is accountable to people and not just faceless owners.

And the narrative of tax transparency is already becoming deeply disruptive for wealth and is not going away: this issue is being won.

Whilst Green QE liberates the state from the curse of balanced budgets and lets it work instead for social stability and long term wellbeing that can deliver across generations.

Changing land taxes could liberate reform in that area too.

All of this is, of course, consistent with my thesis in *The Joy of Tax* that tax shapes society more than any other mechanism. It's also consistent with the thesis of my new book, *Dirty Secrets*, that tax havens are destroying capitalism from within and that to survive capitalism has no choice but change. I could also argue, very strongly that it is consistent with the *Courageous State*, because that is what we will end up with.

It's a vision though, not a prediction.

And it's a hope, not a plan.

And it's definitely not a justification for past thinking: I happen to think much of what the tax justice movement has been doing does provide the mechanisms to redefine the relationships between the state, capital, wealth, people, places and generations, but I don't claim we knew that would be the case.

What it does do though is say let's not look for miracles. I am saying that what we need to achieve what we want may already be around us. What we have to do us recognise it, use it, build on it and create that tipping point.

And based on experience I think that is possible.