Funding the Future

Ending the mess we're in

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I wrote about European banks looking as they are close to breaking last night. This is profoundly worrying. But it's not just some banks that look as though they are at their limits. Almost forty years of neoliberalism and nearly a decade of austerity have left a great deal feeling it has reached this position.

Social housing has.

So too have the local authorities supposedly responsible for it.

The police can do no more.

The NHS is at breaking point.

As is education.

But let's not pretend that this is just a government crisis. There is a personal debt crisis.

And Shelter have reported that by 2020 maybe a million people in this country will live in households unable to pay their rent.

This is a crisis created by the poverty of neoliberal economics.

It will be exacerbated by the absurdity of the UK being distracted by Brexit when it should be focussing on issues of so much greater magnitude: such is the self-indulgence of the right.

And what can be done?

First, say farewell to neoliberalism. Government has to be at the heart of the solution to these crises. I am not suggesting the task is for government alone: I have never thought that. But government is the bed rock of the economy; the espresso to which the frothed milk of the private sector is added to make the cappuccino of an economy in which we must all make our living and way. We have to recognise that fundamental fact now and reject all suggestions to the contrary.

Then we have to recognise there is no limit to the spending that can be undertaken to solve these problems - so long as we are willing to tax that spend back when inflation threatens. In other words, our only limit is the ability of the country to work: money is not the issue.

And we then have to put solving the crises in public services and in the incomes of people who are struggling at the heart of economic priorities. We will not be restoring 2007. And the old rule book is not what we must recreate. It has very clearly failed.

Which is my point. This crisis can be addressed. But not with neoliberalism. And, to be fair, not by thinking that an old fashioned dose of nationalisation will solve all issues, because it too is about control when the the need is for empowerment of people who have been oppressed by a system that built layers of debt to ensure that the capacity of most people to achieve was muted to the point of non-existence.

If the shackles that have constrained the economy, politics and us are to be removed then fundamental redistribution has to be part of he process. That is why I have always said writing off student debt and PFI are key, if only the start. Both could be done. But the symbolism is essential. As would recreation of the social funds of old be the clearest indication that when it comes to essential credit the state does not accept the exploitation of the market any more.

Tokenusm us not enough. But it is what is required to create new momentum. A debt revolution is the way to signal the end of the mess we're in. That, and an end to the austerity that has been designed to impoverish. The first steps to tackling the end of neoliberalism are very clear.