

Funding the Future

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I was slightly more prescient when writing about Labour and Venezuela than I realised I might be when [commenting yesterday morning](#). With even Philip Hammond resorting to this new variant on Godwin's Law, and throwing in Zimbabwe and Cuba for good measure, it appears that the only thing the Tories have left to them is fear, and a £10 billion bung to the housebuilders that will do nothing whatsoever for those actually excluded from the housing market. Maybe, just maybe, the Overton Window is not just opening, but actually moving.

If that is true though then there needs to be some pretty careful messaging from Labour and other progressive parties right now. It may be true that the electorate have realised three things about the Tories. These are that they are bereft of ideas, policies based on ideas and ability to deliver anything. But that does not mean that many are doing anything other than seeking a political life raft right now. It should not be assumed that the mass of the electorate have joined an opposition ship at present: it's this remaining awareness to which the Tories are frantically clinging.

Nor should Labour (or anyone else) believe that because people seek the [nationalisation of natural monopolies](#) that what they want is full blooded socialism. I know some will, but they're a minority. Labour, especially, needs to read the runes appropriately here.

It's my belief that we are moving through the Gramscian moment, where the old is dying but the new has yet to be born, quicker than many think. I strongly suspect that a majority of the public have had enough of the corruption of neoliberal capitalism. They won't put it like that. They'll talk about tax cheating, executive pay abuse, over-powerful supermarkets, rip off privatised utilities and related issues. Banks will certainly be in that mix. What they all get is that the current system is not working for them.

In saying this they will identify an 'otherness' in what they don't like. Most people do not know members of the 0.1%, and for good reason: the truly wealthy mix with their own type. This feeling that the system has been captured by a few is appropriate in that case. The fact that media has lauded that few will now backfire on them: what was seen as praiseworthy (Philip Green's toga parties with Kate Moss) already looks very tatty.

But what people will not want is a feeling that their own aspiration is constrained. I think that is also appropriate. I have nothing against aspiration. And for many that aspiration comes in the form of wanting to own and run their own business. I have done both. No opposition party can ignore this and survive. The art will come in embracing this and fitting it with the message on the failure of neoliberalism that is necessary.

This is possible. Remember neoliberalism has not promoted competition. It has promoted monopoly where there should be competition. And that's the antithesis of the supposedly 'free' market; more so in fact than nationalisation is.

Nor has it encouraged new market entrants. Far from it. It has used intellectual property rights and the advantages large, well established and multinational businesses already have to use tax havens and other ruses to artificially cut their costs to prevent anyone challenging them.

And when it comes to tax, there is good reason why medium and smaller businesses feel that they pay more, and are picked on more often than big business is by HMRC: the evidence seems to be that both are true. This has to change to ensure competition works.

And let's not pretend we can do without competition. We need a state to make laws. We need a government sector to underpin our economy, providing the education, health, social safety net, infrastructure and so much else without which a modern economy literally cannot function. And that includes those utilities that now need nationalising. But just as clearly, the state does not need to make pizza, sell holidays, make and retail clothes, produce most food, and so much more, including a myriad of services (which does not extend, however, to most social care). Those things can more than readily be done by the private sector. And in that case they should be.

A mixed economy does not just make sense: it's the only thing that we know that works, and yet you'd hardly know that from political debate. That suggests it's Hayek v Marx and there's nothing in between. That is nonsense. And all opposition parties need to call that out.

That's not hard to do. It's about having a manifesto that says:

- * Small and medium sized business will be encouraged.
- * Smaller businesses will be protected from aggressive competition from larger companies based both in the UK and abroad.
- * Restrictions big business try to place on competition, whether by paying late, threatening legal action on intellectual property, pursuing unfair pricing to force out competitors and by imposing artificial standards that only they can meet will be resisted.
- * All businesses will operate on a level playing field, which means all will be pursued for the tax they owe, and all will be required to account equally for what they do.
- * Cheats will not be tolerated, meaning that those who form companies to undermine

fair trade will be made personally liable for the debts they incur.

* Smaller businesses will be provided with better access to capital via a National Investment Bank acting as a private equity fund.

That list could be refined and expanded. But the point is a critical one. It is that there is a strong pro-business, pro-tax justice, pro-growth agenda for the left to be claimed here that sweeps away the arguments from the Right. It's time for the left to claim it.