

It's time to throw off fear

Published: January 13, 2026, 1:04 am

Ian McWhirter in the [Sunday Herald newspaper](#) described me in this way yesterday:

The Keynesian finance expert, Richard Murphy, of Tax Research - a prominent ally of independence - on the other hand called it a "disaster" for Scotland, and said the Commission was "the slave of pre-crash economics and a proponent of everything that is oppressive about neoliberalism".

It is always a strange experience to read what others think of you. Discussion of the Scottish Growth Commission Report has given several such insights, most suggesting I am strongly pro-independence in Scotland.

That has made me reflect. Others have the impression for a reason. But what are mine, was the question I asked myself? After all, I am not Scottish. I was born and still live in East Anglia, albeit I have an Irish passport and an extended Irish family that I greatly value. So why am I a prominent ally of independence?

For me this comes down not so much to party politics (for which I have no great passion), but to the power of the political argument. As a political economist what I am interested in is how the power relationships that control the allocation of resources within a society can be best arranged so that most people can benefit.

I confess my bias: it is to the vast majority in any place whose well being is fairly mutual and is largely dependent upon their achieving a fair return for their effort at work, underpinned by a social security system that ensures no one falls too far from the norms that are dictated by this majority.

The consequences of that bias are obvious. I favour rising wages to rising profits or asset price inflation when looking at measures of economic success. But that is simply because this means the majority get to share in the benefit of being in a society.

So, I favour progressive taxation of income.

And the effective and equally progressive taxation of capital.

Both are simply logical positions to take given my declared bias. The reality is that the owner of capital and the recipient of profit is not a favoured human being. They are, as far as I can tell, the same as everyone else. They laugh, love, cry, fear, suffer sickness and enjoy health as much as the rest of us. They need infrastructure, law and order, society, good governance and defence as we all do. They have aspiration for their children, like everyone else. And they can hurt. Suffering, in all its forms, is not exclusive. These things I believe to be true. In that case I see no reason why the owners of capital and the generators of profit are considered to have greater merit in society than those who work for a living. I stress: I am not condemning them either. I am just saying I see no reason for privilege, whether that be through favourable taxation or the structuring of the economy in a way intended to increase their earnings and well-being more than that of those who live off what they earn through their efforts.

This, though, has consequences. The first is that if those who command capital are the same as everybody else then they understand inequality. I'd go further in fact: I suggest they understand it better than most because their fear of losing what they have is, perhaps, their greatest motivation in life. As a result they use every effort to preserve their well-being at cost to others. They understand inequality so well that its preservation becomes the essence of their being.

And, second, the owners of capital, in particular, can command resources that others find hard to secure the whole political process has been corrupted. The interests of capital have been put above the interests of people. So we have gross income and wealth inequality. And we have the perpetuation of an economic creed that says that money is made by individuals as result of their own effort, when this is palpably untrue. Money is made available by government and the income it is used to measure and distribute is without exception (even if the degree varies) result of communal effort.

The result has been a myth about money that is now being used to oppress people. That myth suggests that governments do not have money, and that they only use taxpayer-generated funds. It also claims that this means that the money in question must be restricted in use. And it suggests governments must copy the characteristics of households, with whom they have literally nothing in common because governments can create money which households can't, and so limit the amount of money that they might put into use.

And let's be clear about the motivation for this myth. First it is promoted to constrain any risk of inflation whatsoever, because inflation always threatens the well-being of the richest in society the most, because they own the debts and debts are wiped out by inflation.

Second, it is promoted to encourage the belief that it is the genius of the owner of capital that makes money, when in fact government does.

Third, it is promoted to restrict the size and role of the state so that it does not seek to redistribute income and wealth of those who already have more than they need to live upon, even though their well-being will not be harmed as a result.

And fourth, it's intended to ensure that those who promote the myth stay in power, because it is belief systems that underpin politics.

I don't buy into that myth.

I criticised the Scottish Growth Commission because they clearly do.

I criticise Brexit because it buys into that myth.

But I will also criticise those who say we need neither profit nor capital as a consequence of opposing the myth, because that is just as clearly wrong. Both have a purpose: it's just that they need to be kept in perspective. And that's why I will not buy into all the ideas that the political left promotes, just because they come from the left.

So does this make me a Keynesian? Well, yes, in part., And part a modern monetarist. And certainly a believer that the people of Scotland could and could be better off in an independent country that freed itself from this myth, which is why the Growth Commission report was so shocking.

But most of all it makes me a believer in people. That is all people. Because everyone needs to live without fear. But that means the owners of capital have to give up their fear that without their money they are nothing. And those who fear that letting a government use money to deliver full employment have to stop fearing the growth in well-being this might deliver.

It is fear that keeps us where we are. It was fear that crippled the Growth Commission. And it's not a coincidence that I wrote a book about The Courageous State, when I see courage as the opposite of fear.

Scotland could do with some courage right now.

But so could we all.

We should follow the example of Ireland last week and throw off our fears, and constraints and claim the life that we can all enjoy.

That's what I really believe. And that's what I am really an ally of.