

What the election proved is that we need a new politics...

Published: January 13, 2026, 3:55 pm

I am never sure if I am an optimist or pessimist. I have to believe things can change, or I could not and would not do the work that I do. On the other hand, I never expect them to actually change, and so am always surprised, and pleased, when they do.

Why say this? I do so simply to suggest that there are limits to the use to be made of binary descriptions between polarities that rarely represent reality. I can be both an optimist and pessimist. I can be right and wrong, sometimes simultaneously. And I can be completely committed to social, tax, environmental and economic justice and believe that there is still a significant role for the private sector to play in the world in which we will live.

Does that make me a capitalist, or neoliberal? No, because the terms fail to describe what I am saying.

Does this mean I am not a socialist? Well, yes, it does, actually. But that's not a term I have ever been happy with, because it defines well-being in purely material terms in my opinion, and I think that inappropriate.

My point, then, is a straightforward one. It is that these terms don't work. People may use them. They may use them of themselves. And I completely accept that many people subscribe to the views that these terms describe. I respect their right to do so. But I don't personally believe that anyone can really rationally subscribe to these faith based explanations of our world. And that is because I simply don't believe that by describing polar opposites they are that useful.

Even the most hard core right winger recognises the role of the state - if only to enforce contracts, and to maintain property rights and law and order.

The vast majority of right wingers also concede a role that is vastly bigger than that: they accept that unless the state both establishes the rules of trade, which is a function that goes far beyond enforcing contracts, and also corrects for the many externalities that business creates (including poverty, inequality, climate change, threats to health

and much else) then the market cannot work at all. In other words, markets can only exist within the embrace of the state. By doing so they evidence that they do not really believe in the power of unbridled markets.

What they are, instead, I think saying is that the state cannot apparently do what markets can. Note I say 'markets'. I am not sure there is 'a market' per se: that assumes a degree of co-ordination that is the antithesis of the very idea of what a market might be.

Markets have existed since, it would seem, time immemorial. At their most basic level they reflect the human ability to, firstly, specialise and to then, secondly, make for exchange with others. The reality is that this specialisation is fundamental to our ability to survive, as well as to our capacity to develop and innovate. Without the expertise it permits we would not be who we are. And, so far, no one has found an effective method for replacing this drive within the economy.

Saying that I do, of course, know the work of Mariana Mazzucato. I know that states have innovated. I am entirely confident that they still can. But adapting that innovation into useable products still seems to be a market function.

The point is a simple one: we're not talking either / or in the case of successful innovation. It is, I think, a case of both.

Having said which, let me straight away say that there are many activities where a market is not required or does not function. We know that many have needs but no ability to exchange: whether as a consequence of age (young or old), infirmity or market failure (including of market access, such as structural unemployment, but also due to unequal wealth distribution) many are prevented from participation in markets without the support of the state. As a result markets cannot, as such, function for them. In those cases intervention by the state, without replicating market structures, makes sense.

The same is also true when there is no effective choice available in the exchange processes: natural monopolies exist and cannot in any way deliver the benefits of markets. In that case state control, as proxy for all who partake in the activity, makes sense.

Let's also be clear that markets can create harm. That can be because of the products that they sell. The history of harmful substances created for profit is very long. Some of this harm is also indirect, e.g. to the planet because markets assume nature is a free gift to exploit, with any return paid to landowners who have no apparent claim to it. And it can be consequential, for example by inducing indebtedness that enslaves those who become the subject of claims beyond their ability to settle. The state needs to protect people, planet and society from these harms.

But, of course, there are vast ranges of activities that fall between all these possibilities. Every day companies and people operating in markets do help us fulfil a great many of our needs. And I am really not convinced that much else, including cooperative movements which have a role but remain rare for a reason, can do this.

Why say this? I do so simply because almost no one is saying anything like this in the political arena at present. In politics it appears that you have to be for capitalism, and against socialism, or vice versa. This is the virility test that current debate imposes. But it's a false test: neither of these organisational forms meets the needs of a real society. Neither even actually exists. The state, state owned enterprise, and state driven activity for the benefit of all all need to co-exist in a modern society with well regulated markets where the rules of proper behaviour are enforced to create a level playing field for all participants. Believing in both is not inappropriate: it is required, and yet it is alien to much of our current political discourse.

The Conservatives appear to despise all state activity, but paradoxically wants to take control of a large state that they have absolutely no intention of really changing when what they propose is almost always peripheral, and frequently dogmatically driven and so fails to deliver beneficial change.

Labour has recently promoted significant nationalisation. Whatever the opinion polling when asked about individual policies, as a platform it did not resonate. Nor too did a Green Industrial Revolution where the very obvious need for private sector participation was underplayed because it was anathema to too many promoting it, even if it was absolutely essential to make it work.

The game is presented as either / or.

And let's be clear, both have failed.

And so too then has politics.

Whilst to expect politicians who appear unable to identify what is actually happening (and works) in the world around them to present any comprehension of the real macroeconomy, as I am guilty of doing, is, perhaps, a demand too far for me to make.

The truth is that Labour's vision has been too 1970s. Those around Corbyn since he's been in office seemed to be living in a time warp. Maybe they don't recall the Austin Allegro. I do.

And the Tories promote a vision of a capitalist society that is not remotely related to the real markets in which the vast majority of business operate, of which most Tory politicians have extraordinarily little experience.

That said, the Tories sang a better tune in the the general election: that appears undeniable. They persuaded more people to vote for them, whether that was rational or

not. Marketing spin - one of the things that corrupts true markets - won the day.

But the truth is that neither party told a story that remotely reflected the real world we live in. The world of substantial interdependence, of compromise, of satisficing because nothing else is possible, and of moderation because people are aware that in reality there is no black or white when it comes to capitalism or socialism, but that there is instead a decidedly mixed economy that we need to make function to our best ability for the advantage of as many as possible, did not get a look in.

No wonder people are alienated from politics in that case. Politics simply does not talk about the world people live in. Why wouldn't people be alienated from it?

And come to that, is it any surprise that decent people don't want to get involved in politics when the consensus of the parties is to prescribe solutions that rational people know are incompatible with the world we live in?

The fact is that we live in the middle of the political systems that politics, economics, theorists and commentators describe as if the polarities are the destinations to which we aspire when that is not the case, with almost none of the commentary from any of those sources making any sense as a result.

The reality is that people want a strong state.

They have an innate sense of right and wrong.

They want a social safety net.

They recognise the enormous value of what must be produced communally, from education, to healthcare, to a sustainable planet, to safety, and common infrastructure.

And at the same time they want the chance to innovate, to work as they wish, to take risk and to develop economically as they want either for themselves, or for others they know.

They are not capitalists, let alone neoliberals.

But they are not socialists either.

They are realists.

And they're entirely right to be so.

It is they who are right and politicians who are wrong.

What they want are politicians who speak to the reality that they live in.

And they have not got them. And they do not see them on the horizon. No wonder they

are disenchanted.

It is rational for them to be so. They inherently know that anyone who thinks that crushing the purchasing power of people within markets - as austerity deliberately did - really does not understand the nature, and importance, of demand in a market economy.

And they know that anyone who thinks that denying support for universities, training, research and development and state / private sector cooperation is a good thing really does not appreciate how much of our modern world was created, and that without these structures many cannot work as they also wish, and for the common good.

We have seen time and again that the public know that anyone who fails to uphold the laws that create a level playing field in which honest businesses compete - whether they are on tax, accounting, health and safety, the environment, and much else - is in the business of picking the cheats as the winners in our society.

But what people also are quite sure of is that anyone who thinks that the solution to the problems within markets is to get rid of markets is denying a significant part of the population - of whom we will all know some - the chance that they want to work in the way they choose. What is clear is that this denial is not acceptable in our society.

To return to my opening theme, what people know is that the world is not binary. They know it is messy. And what they are looking for as a result are politicians with the principles, integrity and wisdom to make good choices in that messy world. That does not mean subscribing to an economic mantra that puts finances above people. Nor does it mean subscribing to a belief that markets are always wrong. No one should believe that this election result was endorsement of either of these positions.

Instead what the alienation that most found to be the prevailing theme on doorsteps says is that people want something different. That is a narrative that reflects the way we actually survive in this world. And which liberates within the real constraints that we face.

Unfettered capitalism does not and cannot do that.

But nor does unfettered socialism.

Neither comes remotely close to anything people want.

What they want is what I have called a Courageous State. That stands up for markets. It stands against market abuse, in all its forms. And it stands up for people. But, equally, it is not willing to be taken for a ride. It seeks equity. It looks for the best and not the dogmatic solution. And it looks to create a common good where there is a chance of prospering in the real sense of the word.

This is what politics should be about. We are a very long way from it right now. There is not, that I can see, a single party that at present embraces anything like this in the form that is required. That means we have to live in hope and expectation. We can do better than we are. The hope is that in the 2020s we might.