

We need an Opposition completely committed to full empl...

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I took part in a discussion with a group of economists yesterday. There is nothing unusual about that. The sombre term of the discussion was, however, exceptional. What I and some others, but I stress not all, of those partaking in the conversation suggested was that the scale of the economic crisis facing the UK is being vastly underestimated by most people, including the Labour Party, at present.

Discussion focused on unemployment. One economist suggested that survey data implied that at least one in three people currently furloughed will be made redundant and will not return to work. Adding those people to the existing number of unemployed people suggest that unemployment would rise to 4.5 million.

I suggested that the total could be much higher because this analysis ignored the self-employed, where I think it entirely plausible that at least one in three people will cease to be in business, adding at least another 1.5 million to the number of unemployed, bringing the total to more than 6 million in all. Give or take, that is around 20% of the UK workforce. I think this the likely total.

It is fair to note that some thought that this was unduly pessimistic. What was notable was that the biggest pessimists in the discussion were those who, I think, had greatest experience of running commercial activities. Just as I cannot see how many companies can survive this crisis, nor could the others who have had experience in business. As I have suggested ever since this crisis began, it is cash flow that is king now, and rational business owners who realise that government support for their activities is running out are now planning redundancies, whether they would wish to make them or not, in a desperate bid for their own survival.

Taking this into account, I was far from alone in having concern at the timidity of Labour's current position. If its job is, as I think it always has been, to represent the interests of working people then its need for a viable economic plan is, at this point in time, very high and yet there is no indication that it has one.

I do, of course, accept that the shadow cabinet has come into office at a particularly

difficult time for them to recruit staff and develop policy. This is, of course, indisputable and has to be allowed for. But, vision and direction have to come from the top, and I am beginning to worry that we are not seeing that.

I stressed my concern that Labour might continue to commit itself to the absurd fiscal rules that John McDonnell put in place, over which I fell out with him. The possibility that it will place a greater importance on fiscal prudence and balanced budgets than on job preservation is, I fear, real. If so, that would not only be desperately depressing, but also a complete abandonment of responsibility. That is the route to austerity.

Instead, this is the moment for Labour to understand modern monetary theory. It is also the moment for it to commit to full employment. And it has to say that this is the moment when, like it or not, the private sector cannot deliver and this, therefore, is the time when government has to act.

That does require vision.

It does require a plan.

That plan is a Green New Deal, but not in the feeble form that some NGOs are now promoting. Their suggestion of 100,000 new jobs a year is hopelessly inadequate given what is about to engulf us. We, quite literally, need millions of new jobs, and the process of transforming our economy to a sustainable basis is the only viable way of delivering many of these jobs.

So, we have to plan for massive insulation programmes. Large-scale solar installation is also necessary. Heat pumps need to be rolled out at the rate of more than 20,000 a week if we are to have any chance of reaching net zero commitments, and these could be made in the UK using skills now being declared redundant in many factories. And all this, of course, is just a start.

But this is not the only area where we need more employment.

We need more people in education: children who have lost out need support.

And the care sector is critically short of staff to meet need.

In addition, almost every aspect of the creative sector needs support.

That said, Labour will have to be discriminating: there are jobs that do not need preservation. The days of air travel may be numbered. We are over endowed with financial services. The world could survive without Uber and Deliveroo, because it did until recently, and these are not good jobs. What this means is that choices will have to be made.

The overwhelming requirement is, however, that we have an Opposition in the UK that

is completely committed to the delivery of full employment and is not frightened of the cost of fulfilling that promise, when the one way for this policy to pay for itself is to put it into action, and in the meantime money is no constraint.

The question is, when and if we will get that Opposition.