

Our government chooses indifference to real people. Put...

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My fellow Mile End Road Economist, Prof Danny Blanchflower, had good things to say [on economics in his Peston Lecture yesterday](#).

This annual event is given at Queen Mary, University of London, in memory of Maurice Peston who founded the economics department there. He was a member of the House of Lords from 1987. He was the father of Robert Peston, who may be better known now. Queen Mary is in the Mile End Road, so called because it is a mile beyond the City of London. The perspective is different as a result.

As Danny noted, perspective is key. He began with this text, the opening paragraph of Adam Smith's Theory of Moral Sentiments:

How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it. Of this kind is pity or compassion, the emotion which we feel for the misery of others, when we either see it, or are made to conceive it in a very lively manner. That we often derive sorrow from the sorrow of others, is a matter of fact too obvious to require any instances to prove it; for this sentiment, like all the other original passions of human nature, is by no means confined to the virtuous and humane, though they perhaps may feel it with the most exquisite sensibility. The greatest ruffian, the most hardened violator of the laws of society, is not altogether without it.

This is the fundamental perspective of economics that it seems that those who claim to be the followers of Smith, but are not, have forgotten. Economics should be about caring about the other person, because that really matters.

If we do care then Danny suggested that we must listen to what people have to say. He calls this the [economics of walking about](#). By this he means being open to hearing what people think.

As he argued, there is good reason to do this. It would seem that if you look at reported sentiment based on survey data from both business and households / consumers what

you discover is that there is unrevised timeline data that shows they are able to predict recession better than any other data, which is in any case subject to timeline revision.

The worrying news is that this data suggests that the US will be in recession in 2022, with the UK heading the same way. Despite that the UK government is planning austerity and the Bank of England interest rate rises that will make matters very much worse for the real people on the Mile End Road. It would simultaneously keep those in the City happy.

We have a choice in perspectives. Priorities are ours to choose. For reasons that deny the critical aspects of humanity that Adam Smith observed but which most libertarian economists seek to deny exist, our government chooses indifference to real people. Putting concern back in economics is what really matters. You start to do that by walking about.