

# We are heading for a worrying five years under Labour

<https://www.taxresearch.org.uk/Blog/2023/07/16/we-are-heading-for-a-worrying-five-years-under-labour>

Published: January 12, 2026, 8:04 pm

---

Keir Starmer [has a piece in The Observer](#) this morning on the virtues of Labour offering a right-wing manifesto to the people of the UK.

My summary of the piece is that it is truly frightening in the scale of its political and economic incompetence. He actually says in it:

*Frankly, the left has to start caring a lot more about growth, about creating wealth, attracting inward investment and kickstarting a spirit of enterprise. It is the only show in town for those who dream of a brighter future.*

This is profoundly worrying. Decode that and what we have is a Labour leader saying the future is about anything but sustainability and is instead about fostering inequality, promoting the failed logic of international competition for inward investment that inevitably leads to tax havens, and about individualism. And there is, apparently, no alternative. This is full-blown Thatcherism, almost down to the TINA ('there is no alternative') catchphrase.

Let me dig a little deeper, though.

Starmer starts with his now obligatory references to the Tory mortgage bombshell. But there is no reference made to cutting interest rates, or to an alternative macroeconomic policy. Nor is anything said about constraining the Bank of England. So, what is obvious is that Labour would have delivered exactly the same policy as the Tories, precisely because Rachel Reeves is certain of the Bank's omnipotence.

Then there is a direct attack on additional government spending. This, it is said, cannot be delivered because there must be 'iron-clad fiscal rules'. Such rules are, it must be admitted, a Labour invention. Gordon Brown was the first to refer to them, but he, like every other Chancellor who has lasted more than a few weeks ever since then, revised his own 'iron-clad' rule so often that they, and the term, became meaningless. Tory Chancellors did exactly the same thing. Such rules are only iron-clad until inconvenient, when they are rewritten. So, very politely, all Starmer is actually referring to is the

imposition of austerity when he uses the term.

And we know that. He says he wants growth. But he will not deliver state funding to kick start the process.

He also says he wants a green economy, but the already inadequate £28 billion per annum to supply it has, we now know, been abandoned, so he clearly does not want it very much.

Instead he falls back on the age-old plan of the Tufton Street brigade and offers supply-side reforms to relax planning controls to supposedly deliver more housing. This won't happen. No one will be able to afford to buy them. Falling prices will take the profit out of the market. Buy-to-let landlords are already departing the scene if they can and Starmer is promising us he won't pay for these houses. That's why I know this won't happen.

Nor will NHS reform work. Unless that NHS reform firstly cuts out the bureaucracy and secondly has its primary focus not on prevention by the individual but on prevention of the abuse of the individual by a market intent on selling them cheap calories in the form of sugar and fructose that are together the real cause of our obesity and diabetes driven health crises nothing Starmer says will work. And he did not say that. He talked about the utterly implausible idea of tailor-made, personally profiled drugs instead. I was left wondering what he was on.

As for the idea that we are going to get reinvigorated public services when this will require that they be reformed by people who will simultaneously meet existing demand, innovate change and roll out new systems whilst being denied the pay rises that they need and which are essential to retain and recruit new staff, is just pie in the sky.

I really don't enjoy attacking Labour. They are the only likely opposition to the terrible politics of the Tories that we have. But whoever wrote this article is completely economically and politically clueless, and Starmer was daft enough to put his name to it.

There is nothing radical here.

Nor is it reassuring, as Starmer claims.

What it most certainly does not do is offer change. This is a recipe for more of the same old neoliberal policies that have so glaringly obviously failed us.

But most of all, it shows Starmer is out of ideas before he even reaches office.

And saying that I am not asking for a full-on, state-driven alternative. As [I wrote late last week](#), my vision is for a genuine public-private partnership. But that has to involve

politicians who believe in the state and in what it can do. The real problem is that Starmer neither believes in the state or that it can do anything without begging favours from the private sector. And that is just not true.

We are heading for a worried five years under Labour if Starmer is intent on delivering this plan.