

Labour is a neoliberal to its core

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In this morning's video I argue that Labour was built on the basis of a proud left-of-centre tradition that was based on support for working people and a belief in the power of the state to build well-being for everyone, and not just a few. But that's gone. Just like the Tories, it is now dedicated to the cult of the individual and is opposed to the state and all it can do for us. The question is, what can we do about this?

https://youtu.be/UK5-cQriE0o?si=pdoiLsfqxwq_8r6E8

The audio version is available here:

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The transcript is here:

Labour is a neoliberal political party.

I keep on criticising the current incarnation of Labour. Or rather, the one that has existed since sometime in the 1990s, but which seems to be getting worse now. And the reason why I criticise it is that I cannot identify any of the true Labour sentiments that were the basis for the foundation of the party over a century ago within its current leadership.

Labour was founded to represent the working person. It was always on the side of the underdog. It fought capital to make sure that workers would be fairly paid, have holidays, have sick pay, and a pension: those basic rights that transformed the way in

which the UK economy worked and made the lives of people better.

It also believed that it had the role of intervening in the economy to correct market failures so that people would have what they needed to live well. Most particularly, a good state education, a free at-the-point-of-delivery NHS, which was state-controlled to make sure that nobody could exploit it, and social housing that made sure that people could live well and securely for the long term in a place where their family could flourish without fear of being thrown out.

Those were the foundations on which Labour was built. The concern for the ordinary person, the person who I call the woman on the Mile End omnibus, that's what Labour was all about. But that's not what Labour is about now. Labour as a neoliberal party focuses on something very, very different.

Let me explain what neoliberalism is because it's a term that is often bandied around but which is rarely explained in detail.

Neoliberalism focuses on a number of quite straightforward, quite simple, and all fundamentally wrong ideas.

The first is that free markets exist, and that they can allocate resources efficiently within society. We don't have free markets in the UK or anywhere else in the world, to be totally honest, because free markets presume that everybody who competes in the marketplace is of roughly equal size, all of them are price takers, none of them are able to exert power over the marketplace by setting prices independent of what the consumer is willing to pay, and, as a result, it might, in theory operate fairly in the sense that the consumer has the power.

But we know that isn't true. We know that large companies dominate the market. We know that there are monopolies. We only have to look at the tech companies. We only have to look at our supermarkets. We only have to look at the limited number of car manufacturers and realise that there is simply no such thing as a free market anymore.

There are monopolies. regulated and controlled markets, but there are certainly not free markets, and yet the whole basis of Labour Party policy is now founded on the principle that free markets can deliver better for society than anything government can do. It's a completely false idea, but it's what Labour believes because it is what is taught at Oxford University to those politicians who seem to go on to populate the Labour cabinet.

And then there's a belief in deregulation. This, of course, follows from the idea that free markets are good because deregulation says, "let the market decide." We don't need to control for things like the vapes that harm society, or the sugar in ultra-processed food that harms society, or the carbon emissions that happen to be creating global warming, or anything else.

No, let's deregulate because those benevolent businesspeople will deliver for our well-being if only we give them the chance to do so without interference from the state.

Adam Smith knew this wasn't true in 1776, and he said so. He said that whenever a group of businesspeople came together, they would conspire against the common good. And that remains as true now as it was then. And yet, Labour believes in deregulation to let the market abuse us. You couldn't make it up, but that's what they do.

And then there is privatisation, because if the state is not able to do anything, and that is the belief that Labour holds, because it thinks that the market does things better than the government ever can, the obvious next step is to privatise everything that is possible.

Way back in 1979, before Margaret Thatcher introduced the neoliberal concept into government in the UK, we had a state-owned post office, and we had a state-owned telephone system, plus, of course, state-owned energy companies and water companies, and so on. None of those things are now owned by the state.

Have we got better off as a result? Have we been exploited as a result? Well, I think it's very likely that we have been. We now have water companies demanding price increases of over 50 per cent because they say they can't make the deregulated market work in their favour. Is that to our benefit? No. But Labour believes that privatisation still works.

Then note that the whole logic of neoliberalism is opposed to big government. Not because it can find anything particularly wrong with it, because, actually, that's really difficult. When we look at the last 14 years of Tory party rule by a party that is neoliberal to its very core, it failed to constrain the size of the state because every time there was a minister in office, they realised that what the government was doing was important. That, though, has not prevented Politicians, Tory and Labour, saying that we must constrain the size of the state because there must be the opportunity for the market to flourish as if the two can't be compatible with each other, when in fact they can. What they want to do then is deliver austerity, not because we need austerity, but because they want to limit what the state will provide.

They want to force us to fend for ourselves. The whole logic of austerity is not really about economics, it's about politics. Neoliberalism believes in the power of the individual, and the obligation of the person to provide for themselves. The logic of austerity is that if the state does not provide, the individual is forced to, and supposedly that produces a better outcome.

And so the logic is they will not provide a decent NHS so that you, those of you at least who have the means to do so, will go and buy from the private sector. And that's what they want you to do.

And, they will not provide a decent postal service, because you will then be forced to go and buy from the private sector. And that is what they want you to do, whether the outcome is any better or not, or cheaper or not. That's what austerity is meant to deliver.

So, there is this combination between austerity and the cult of individualisation that is implicit within neoliberalism and is what is called the agenda of choice, so beloved of politicians, particularly, it seems, Labour politicians, that dominates so much of their thinking.

And finally, there is a belief in globalisation of free trade. You wouldn't believe this from the Tories, of course, because they took us out of the European Union. And to some extent, you wouldn't believe this from Keir Starmer, because he's so dedicated to keeping us out of the European Union. And yet, what we know is that the EU regulated trade so that it was possible, but that isn't what the neoliberal believes in. They don't want regulated trade. They want unregulated trade because that's what they believe in.

So, they are opposed to the EU, they are opposed to the regulation that it comes with because they don't believe that works, even though the evidence is overwhelmingly clear that that is what is necessary for trade to properly function.

Labour believes in those six core tenets of neoliberalism: that we really do have to have free markets, and deregulation, and privatisation, and austerity, and the power of the individual, and globalisation and free trade. That makes them an enemy of logic, an enemy of good economics, and an enemy of what is good for the people of this country.

We have now two major political parties in the UK - the Tories and Labour - who both believe in those things, even though it's very clear that those things undermine our well-being. And that is the crisis at the heart of UK politics.

That crisis was always there when the Tories believed in this stuff.

It's being made very much worse now that Labour does so very clearly as well.

How do we get rid of the single party that we effectively have that is dedicated to the delivery of one political ideology, which is neoliberalism, whether in Labour or Tory flavours?

That is the question that has to be resolved if we are to revive the UK, restore its democracy, and deliver well-being for the people of this country, as well as tackle all those fundamental issues, from housing, to education, to healthcare, to social care, to justice, to climate change, that must be addressed.

Labour is failing us. It cannot do otherwise. Neoliberalism is a failed concept, based upon the cult of the individual and self-interest and every wisdom tradition throughout history has said that such ideas will fail.

Labour will, but that is the issue that we have to address if we are to deal with the problems that neoliberalism will leave for us to solve.