

Might we drop the dogma from politics?

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I am bored by politicians who pretend that they are from the left and right, and who either worship markets or pretend that the state can do nothing of value. The reality is that we live in a mixed economy where both the state and private sectors are essential. Why is it so hard to admit that fact?

<https://www.youtube.com/watch?v=37mg70-2mms&si=LKvLoBBw5tCLdcOI>

This is the audio version:

https://www.podbean.com/player-v2/?i=3zanb-1740005-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=&logo_link=episode_page&button-skin=c73a3a

This is the transcript:

What if we dropped the dogma about economics in politics and dealt with reality instead?

What am I talking about? I'm talking about the fact that most of the time, most of our politicians want to talk about the fact that they either believe that their opponents are total free marketeers or are socialists. And let me be totally honest, there aren't any such things as total free marketeers and socialists inside the UK political economy.

Why? Because we live in a mixed economy. And that mixed economy is one where, as a

matter of fact, the state and the private sector have to cooperate to deliver the well-being that we all need and want and enjoy.

So why don't politicians actually talk about the fact that what is really important when it comes to economic management is to work out how to best mix the state and the private sector, and the voluntary sector, and the owner-managed sector, and the cooperative sector together in a way that delivers outcomes that are of benefit to everyone, because this is what we really need to talk about.

And the fact is that we all know that there are some things that are best done by the state in the UK. We have proved that the NHS works, not perfectly, but incredibly well. It's also highly cost-effective. We get imperfect healthcare, but better healthcare per pound spent than just about anybody else in the world.

We have an education system that is not perfect because of the market dogma that is laid over it, but which is better than many other systems in the world and could be better still if only it was freed to deliver what the people of this country really need.

We have state services that work.

For example, there is a state old age pension. It's not perfect, but it does deliver.

All of these things have to be done by the state.

But the state does not. need to bake bread; it does not need to brew beer; it does not need to make cars; it does not need to provide a whole range of things which are quite essential to our well-being.

On the other hand, the state does need to provide electricity and gas because there can only be one gas pipe into your house, and competition is therefore not possible in the gas market, and again there can only be one set of wires delivering electricity into your house, and therefore, to pretend that there is competition in the electricity market, is simply absurd.

The same is true for water. Water can only come through one pipe, and therefore for it to be privatised makes absolutely no sense at all.

I would suggest the same is also true of the internet, because frankly we only have room for one real internet network within the UK, because the cost of that infrastructure is too high, and therefore to pretend that there's a massive range of competition between providers is quite absurd, because all that they're really doing is provide a range of account options which could be provided by a single supplier if only they were properly regulated.

And I could go on and on. The point is we need to decide which services and which goods belong in which sector and then we need to work out how they can work well

together So, whilst it is true that I am suggesting that the internet should be provided by one company, obviously, the services supplied over the internet do not need to be provided by one company. They can be provided by a multitude of entities who are using the internet to sell their own services.

It is this mix that is vital if we are to truly understand the way in which the economy works. So, the pretence that we have, that politicians put forward, that there are state and non-state solutions to the problems that we face, and the two don't mix together, is completely wrong. Of course, they mix together.

What I want are politicians who can recognise reality. Instead, we have people like Wes Streeting at the NHS, who seems to think that whatever is supplied by the state is no good, and whatever is supplied by the private sector is wonderful.

And we have the same with regard to so many other activities.

We're seeing it when we come to Great British Energy, which is actually a private equity fund investing in private sector operators to supposedly solve the problems of energy supply in the UK which have largely been created by the privatisation of our energy industry.

And we can see it with our National Wealth Fund, because if we truly invested a National Wealth Fund in the way that society now needs, most of that money would be going straight back into infrastructure, which should be state-owned, because it's there that there has been massive under-investment in our economy. But instead, the state is choosing to invest in the private sector.

We need to get over these dogmatic divides. And talk about what we really need as a whole. If we did that, and if we also understood that the private sector can't operate without the state, and the state will never be able to provide things that the private sector does, we would end up in genuine partnership relationships that will build on the strengths that the economy has, the strengths that people have, the needs that must be met, and to deliver again the needs that people really do have, which in combination both state and private sector can supply.

I wish our politicians could talk about that reality. When they do, we will have a better politics. Until they do, we won't have that better politics, and the cost will be to us all.