

In 2025, we have to say yes to the power of the state

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It's fashionable to lay the blame for all that is wrong in our economy on the state. But that's a mistake. The state is only failing because it is being run by politicians who have set out to undermine it. We need a properly functioning state and have been denied it for too long.

<https://www.youtube.com/watch?v=27YFXWQq6uk&si=WdVQLbEm9PJ3XY7B>

This is the audio version:

https://www.podbean.com/player-v2/?i=rbm96-1797363-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

In 2025, we have to say yes to the power of the state.

Now, I am well aware that this will not be a popular claim on my part, but I'm going to make it nonetheless because if we are to rethink economics in 2025, and how it can deliver for us all, one of the things that we have to do is give up our paranoia about the role of the state.

There is no economy without the state. Those who claim otherwise, and that capitalism is the answer to everything, and that the state is not, are living in cloud-cuckoo land.

That's because, without a state, there are no contracts, there is no enforceable law, there is no property right that can be defined, and therefore there is no claim to it, which is the whole basis on which capitalist thinking is based, and there is no market because there can be no money which is useful in exchange, and everything falls apart.

Capitalism literally cannot exist without the state, and yet it pretends it can. And it spends all its time protesting that the state must keep its nose out of everything.

Well, there are some good reasons, of course, why people are fed up with the state. The state has not used its power to redistribute income and wealth to combat the failures of the market system, which concentrates wealth in the hands of a few.

It has not used its power to combat market failures with regard to climate change, with regard to media power, and with regard to monopolies that exploit us all.

It has not used its power to regulate banks so that we have lower interest rates than we are suffering at present.

It has not used its power, in other words, to meet the needs of people.

And that is fundamentally where the state has failed. The state's failed, not because it is a state, but because it has been captured by the mentality of those who hate the state; who want to dismantle the state; who want to undermine the state; who want to use the state to ensure that companies can continue to loot us and the planet for individual profit; who want to ensure that we can be exploited; who are indifferent to the consequences that harm us. All of those things are true.

The state has been used against us, and not for us. And that is why people around Europe, the UK, the US, and beyond are fed up with the state. But they are blaming the wrong thing. They're blaming the state for these failures when they should be blaming neoliberal politicians who have sought office to undermine the state. It's they who are at fault.

Years ago, I wrote a book called *The Courageous State* - I think it was in about 2012 - and in it, I said that what we needed were politicians who believed in the power of the state to transform the well-being of people. I still stand by that. I think that is vital. That is what the state is for.

I'm not saying we can do without markets because, frankly, I don't know an alternative way in which we can combine some of the resources which are available within society to meet the needs which the state is not good at doing. For example, I always say I don't want the state to brew beer. I don't think it needs to make bread, to be totally honest, either. But, I do think it needs to provide education and a health service.

So, we know that there are things for which the market is well suited, just as we know there are things for which the state is well suited.

But I want to have politicians who can spot the difference and who can also realise that in an imperfect world, which is what we live in after all, markets produce imperfect results and are open to abuse. And the consequence of both of those things is that power is concentrated by markets in the hands of a few individuals who own most of the wealth. And we're seeing the consequences. If you want to have two words that explain that, just look at Elon Musk. He has abused the power of markets to concentrate wealth to support the rise of Donald Trump. You really can't imagine a worse outcome than that.

So, what we need is not to reject the state. We need to reject the power of markets over the state.

We need politicians who, when given the choice between prioritising the needs of companies or the needs of people, choose people.

We need politicians who can recognise that the economics of growth and of maximizing corporate profit and of reducing regulation are all playing into the hands of wealth concentration and therefore reject those processes and the consequences that flow from them for policy purposes and instead prioritise the redistribution of wealth to ensure that everybody can partake in markets, which will actually increase wealth overall because of course there will be more people with more power to spend as a consequence.

That's what we need.

I've already discussed in a video, already produced this year, the difference between economics as a noun, which is a definition, and economics as a verb.

Economics as an action has become economics of the neoliberal market. And politics has gone the same way.

Economics as a noun talks about the study of how we achieve the better allocation of resources within our society so that the needs of everyone are met. We fail miserably to do that now.

There are people who live with hunger.

They live in horrible accommodation.

They live with fear as to whether the money will run out.

They live in fear of the debt collector.

They live in fear of the next utility bill.

That is not a successful economy.

By the definition of economics as a noun, where needs are met, then we have a very poor economy.

By the definition of economics as a verb, as it has been defined by neoliberal economists and politicians, we have a successful economy where we're still aspiring to growth, irrespective of the consequences for wealth concentration, for the increase in poverty, and for the despoilation of our planet.

We have to, therefore, properly understand the role of politics and the role of the state in 2025. If we are to get the politics that we need to survive and do something more than that, which is to prosper, because we aren't prospering now. But if we follow the ideas that I'm suggesting, we could, and we will.