

# There's no growth, so what should Labour do?

<https://www.taxresearch.org.uk/Blog/2025/01/19/theres-no-growth-so-what-should-labour-do/>

Published: January 12, 2026, 8:11 pm

---

Labour's plan for government is based on some vague aspirations that are almost meaningless, and probably undeliverable. So, what should it do?

<https://www.youtube.com/watch?v=UHDrlECERgE?si=ZhYPtiE5scOSAzoV>

This is the audio version:

[https://www.podbean.com/player-v2/?i=snxjf-17b8b87-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=c73a3a&font-color=&logo\\_link=episode\\_page&btn-skin=ff6d00](https://www.podbean.com/player-v2/?i=snxjf-17b8b87-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=c73a3a&font-color=&logo_link=episode_page&btn-skin=ff6d00)

And this is the transcript:

---

There is no growth, so what does Labour do now?

That's a relevant question because in October 2024 we saw the Office for National Statistics in the UK say that the UK economy had shrunk by 0.1 per cent that month. Now we know the figure for November, and it grew by 0.1 per cent.

When we look back over the last 18 months to two years, we can see that average growth has been less than 0.3 per cent a month. There is no growth in the UK economy that is worth talking about.

And at the same time, there's also no inflation in the UK economy that's worth talking about because in December, that went down by 0.1 per cent, which is, like those numbers for growth, pretty much a rounding difference in statistical terms.

Everything is flat, stagnant, and static. That is what the state of the UK economy is. And this presents the most enormous challenge to Labour, who came into office saying that they were going to deliver growth, and so far we have seen not the slightest evidence that they know how to deliver it.

I'm not going to go through why that's the case again, because I've discussed it in other videos. Instead, I want to talk about what they should be doing because Labour is in desperate need of another reset, and it's already done it once or twice, and it only got elected in July 2024. But they frankly can't deliver on the basis of the programme they've now got.

According to that programme, there are five things they're going to do.

They're going to kick-start economic growth. Good luck, when there's no sign that there's any prospect of that happening.

They're going to make Britain a clean energy superpower. That sounds fantastic, but they've just also announced that we're going to be the hub for AI around the world, and AI is going to absorb vast amounts of energy. Those two policies are in complete conflict with each other, and I can be pretty sure that AI is going to win. We are not, as a result, going to be a clean energy superpower. Instead, we're likely to be burning more fuel than we have for a long time, and increasing the temperature of the planet as a consequence.

We're going to take back our streets, apparently, because taking back control sounded like a nice phrase for Labour to use, and they applied it to our streets. The trouble is, it's taking years for cases to get to court for almost any crime that has now been committed. And of course, we all know that the actual charge rate is minuscule because we do not have enough police.

So that target is, again, utterly meaningless, as is the next one, which is breaking down barriers to opportunity. In the word salad that the average Labour politician now creates, this one ranks up there, high in the aspirational level, because it sounds like it's Labour doing something for equality. But in practice, it's not. It's totally meaningless. It could be anything covered by that. And I don't believe that there is really any significant change to education or other work opportunity as a consequence.

Just as their fifth objective, which is to build an NHS fit for the future, is something that they have no idea how to do because we have Wes Streeting in charge, which is enough to make us all despair. But Wes Streeting - he's not planning to create an NHS fit for the future, he's planning to create an NHS fit for privatisation.

So, what should Labour be doing? Well, the first and obvious advice that I can offer to it is give up these meaningless slogans. Stop pretending that, somehow or other, we will all be taken in by some new catchphrase. Because we're not. If they ever worked, and maybe they did a decade or more ago, they do not now. We have seen too many politicians put up too many placards, making too many claims, all of which turned out to be utterly meaningless, to ever believe another such word salad. So let's not bother with those. And Labour should be putting them aside.

Let's also stop making goals out of meaningless things. Let me use growth as an example. Labour says it wants growth, but you can't see growth. There isn't anything that you can say like "That's growth over there. That's good." Because growth is an epiphenomenon of other things happening.

Growth happens because more people are at work.

Or more services are supplied.

Or more things are made.

Or more goods are exported.

Or the government spends more into the economy to deliver services, like health and education and so on, which it says it won't do at present.

Growth is not something in its own right. In technical terms, it's an epiphenomenon. It's a statistical consequence of real things happening.

And this is the nub of my argument. Labour should stop worrying about these stupid and meaningless terms and measures, like growth, and instead talk about what they're going to do.

Real things that need to be done.

Real changes that would actually have impact upon the lives of people in this country.

Labour should be ending child poverty. Full stop. That's a goal. It's a real goal. It is decidedly measurable. It could be done. It would require the government to spend. It would require redistributive tax policies, but they can be adopted whenever Labour likes. That is a deliverable outcome.

It could improve housing stock in the UK. It could get rid of damp housing. It could require that a large number of houses be converted to be green and sustainable. These are tangible benefits which produce real employment opportunities, real benefits for the people living in the houses and real long-term benefits for the generations to come who won't have to live in the grubby housing that too many people have to endure now.

It could also, for example, decide it was going to reduce actual measures of inequality in the economy. It could, as a goal, decide to literally reallocate some of the wealth of the rich to those who are on lowest income to stimulate the economy because those who are rich, as I've explained in previous videos, save and therefore do not encourage new economic activity, whereas those who are on lower income spend and therefore do encourage new economic activity. And they could lay this out as a programme and explain by how much they want to redistribute to encourage that growth.

They could set real targets for investment. Their own investment would be the best thing to do, and they could lay out how to fund it. Again, I've explained that if we change the rules on pensions and ISAs, there would be ample money available to the government to fund such a program. It could do that.

So it could say it will build so many schools, so many hospitals, so many houses, so many sustainable energy sources and on, without difficulty.

It doesn't need big grand projects. The likes of HS2 are for fools. We don't need those things.

We don't need new runways at Heathrow when we know that we can't let planes fly forever to the extent that we have in the past.

What we need are things that are small in themselves but big in their consequences.

Labour could do all of this. It could actually set out a positive vision of achievement.

And as I stress, that is not something which looks grandiose. It's actually about putting jobs in every constituency in the UK, creating opportunities for long-term employment and real training, and actually delivering what people want where they are now.

If it did that, well, it would actually happen to deliver growth, but it wouldn't make growth the goal. Growth would just happen to be the consequence, and that's fine. I don't mind if growth is the consequence, but what I'm really interested in is things happening. And when Labour begins to believe that its job is to make things happen rather than to write slogans and to aim for some vague, statistical idea called growth, then we might get delivery.

Do I think that Labour is likely to begin to believe in the real world and making change to it? I wish I did.

Have I got hope? Not a lot.

But, at some time, somewhere, some politician is going to understand that this is what UK needs, and is going to offer a programme like that. And when they do, that is what might break the logjam in British politics.