

An economics primer?

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The presentation that I made to the [House of the People](#) citizens' assembly on Monday gave me a great deal to think about. It might even have a lasting impression on my work.

When Steve Keen and I discussed the morning's events after they had taken place, we both appreciated just how hard it was for many people to understand what we both now think is glaringly apparent, but which requires extraordinary effort to comprehend when first explained.

Several of these issues arose during my own presentations and discussions. Examples included:

- * Money is created out of thin air.
- * There is no physical asset backing for money.
- * All money is debt.
- * When the debt that creates money is repaid, the money disappears.
- * When a debt, including that to pay tax, is settled, then money is destroyed.
- * Tax does not fund government spending, central banks do.
- * The government does not need to borrow. It takes deposits as a favour to the City of London.
- * We don't need to tax the wealthy to fund government expenditure. We need to tax the rich to reduce inequality.
- * The government does not need to borrow from the City. It can borrow from its own central bank.
- * There is no such thing as taxpayer money
- * Savings are dead money.
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Savings are not the same as investment.

- * Tax reliefs are a real cost of the government, just as direct payments are.

I offer these as examples. I am not suggesting that they are complete. I am quite sure that there are many more, and that precisely because I am so familiar with these issues, I probably am not the person to work out what they are. In that case, suggestions are welcome.

What is the relevance of this? It has become increasingly clear to me that without a basic economic primer that addresses these issues, my idea of writing a book about the politics of care might be an ineffective exercise. Explaining the policy implications that understanding these issues permits makes no sense if the economic ideas underpinning the solutions I propose are not understood themselves. As a result, I think I now understand my own reticence about writing that book. I had felt that something was missing that was preventing me from doing it, and now I realise what it is.

The question is, how should I proceed now? That is, obviously, something that I will need to think about with care.

The current video series on wealth that we are producing seems to be going quite well, and Thomas and I are pleased that people are referring back to earlier videos when they find a later one. The concept of a series as an educational tool appears to be working. However, whilst that topic is, in some ways, more advanced than those I note above, I also appreciate that it might be easier to comprehend in other ways.

So, in that case, do we need to produce some series on the basics of what might be called new economic thinking? These series might cover:

- * Money
- * Taxation
- * Bonds
- * The government money cycle
- * The fundamentals of economics, concentrating on the difference between micro and macroeconomics and the problems created by the household analogy.
- * Difficult economic concepts including government debt, deficits and GDP.
- * Neoliberal myths, and what replaces them.

The obvious advantage is that these provide us with a significant number of topics that will keep us in video topics for ages, as well as providing blog content. What they might also do is create new glossary material or even publications that can be used to explain

core economic concepts over time. Put together, they might even become a book.

Does anyone have thoughts on this?