

Pie theory: the video

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Lisa Nandy says the UK needs a “bigger pie.” But the truth is, we already have enough pie. The problem is how it’s sliced—and Labour refuses to talk about that. In this video, I explain why the Big Pie Theory is economic nonsense, how growth hides inequality, and what we must do instead: redistribute, regulate, and reprioritise.

<https://www.youtube.com/watch?v=Z7mPuNINDmM&si=46-ltw9k2Yzq32fk>

This is the audio version:

https://www.podbean.com/player-v2/?i=gwk9s-19279c3-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

Lisa Nandy has said the UK needs a bigger pie.

What she's talking about is economic Pie Theory, and it's a complete load of rubbish to which Labour is deeply wedded.

Labour claims that without growth, we cannot fix our public services. Big Pie Theory is used to hide the fact that even if the pie got bigger in the UK, this would do nothing to tackle inequality, and only redistribution can do that. So let's unpack why Pie Theory doesn't work.

The growth myth is deeply seductive, but utterly misleading.

It sounds simple. Grow the economy. Create a bigger pie. Share it out, and we're all better off. But the fact is, who actually gets the growth?

And remember, we've had a lot of growth over the years. The UK economy has grown a great deal since 1980. It has done that in large amounts. We are, per head, vastly better off than we were way back then, and I can recall 1980. But the point is, we are not all better off.

Only some people are better off. In fact, the average male worker in the UK is hardly better off at all over that period because the vast majority of growth has gone to the wealthy, and there hasn't been any significant redistribution over that period. In fact, inequality has grown as a result of the deliberate policies pursued by Margaret Thatcher, which no one else who has followed her has ever corrected.

In other words, the growth myth is seductive because it says the bigger pie could give rise to bigger benefits to everyone. The slight problem is, it doesn't.

And that's the problem. The fact is, it doesn't deliver for everyone.

It's designed not to, in fact, because the way in which our economy is structured means that finance and corporate power decide the outcomes of whatever happens in the economy, and as a result, more of GDP has gone their way than it has to labour, and rents have also risen.

As a result, we are working harder but we are no better off because we are boosting the income of those who live off unearned income created by the working people of the UK. The bigger pie exists, it's just, it's been sliced in favor of wealth.

So growing the pie is not economically neutral.

Lisa Nandy, on behalf of the Labour Government, in which she's the culture secretary, would like to claim it is, but that's not true. Growing a pie is a political choice, and it's also a political choice as to who gains out of the bigger pie.

Labour isn't talking about that.

It isn't talking about how power imbalances bias growth in favour of the rich, and it's doing nothing to confront that because, so far, there is no indication that Labour is interested in charging extra taxes on wealth, or changing the regulation that lets them accumulate wealth.

So there are real problems, and the problems go deeper than just this one of redistribution.

The truth is, if we use the pie metaphor and push it a little further, the bakery has limits. The planet is not infinite, in other words. Growth actually is destroying our environment. Nobody with any sense can dispute that now. The fact that we are seeing the evidence of climate change all around us is glaringly obvious, and the cause of that is indisputable: it is human activity. We know that is the case. Climate change and biodiversity change are all happening, and they're all happening as a consequence of what we are doing, and trying to grow the pie is making things worse.

So, we need to reconsider just what pie we are trying to grow. We might need a different recipe. A recipe that does not include the growth in arms, or a growth in fossil fuels, or a growth in finance, or a growth in rents. Those aren't the things that we want to grow in this bigger pie that Lisa Nandy and Labour want to talk about. No, what we want to talk about is a pie where care, education and well-being are valued.

GDP, in other words, is not neutral, any more than the pie is. What makes up the pie really, really matters, and again, Labour won't talk about that.

We need growth, but we don't need growth in the things that are causing harm, like, as I mentioned, arms, fossil fuels, and finance.

So what are we going to do? The UK does actually produce more than enough to meet the needs of everybody in this country.

Everybody can be fed.

Everybody can be educated.

Healthcare can be supplied to everybody.

Everybody could have a home.

Everybody can be clothed.

Everybody can be transported to wherever they need to get to.

These are facts.

All of those things are possible in this country, and what is more, we could do those things with security and dignity.

So the size of the pie in the UK is, in reality, not much of a problem.

The problem is that the size of the slice that some people are getting out of that pie is at present being shrunk.

It's being shrunk by the demands of higher interest rates, which are continuing to fall

on people who remortgage their houses, which is ongoing at much higher rates than they used to have to pay, and it's arising because of the burdens of other forms of finance, and because redistribution isn't happening.

So this is the real political fight that we have, and it is not about the size of the pie. What we're talking about is who gets what slice? We need to ask that question. Are the slices of sufficiently fair size? And unfortunately, the Labour Party, despite its name, despite its origins, despite its claims for being social democratic, or even democratic socialist, is too frightened to answer that question.

And its growth-first policies are deliberately put forward to avoid having to answer those questions. Whilst they can pretend they can still grow, even though there is no evidence that they can, because quite clearly the economy is not growing, and nobody believes it's going to in the rest of this decade, they can pretend that they don't have to answer these questions about how big is each person's slice of our pie?

But the truth is that pie is now a fixed size. We know in real terms that's the case.

So if we are to make people better off, and if we are to ensure that they do genuinely have those public services which we know are possible, redistribution is essential; partly of income, and partly of the national economy's resources away from producing things we don't need to meet needs we really have.

We need progressive taxation of income and wealth, and we haven't really got it.

We need a focus on universal public services, which aren't marketised, but which guarantee we get the basic things we need at a fair price, and we are not doing that at present with regard to essentials like water, like council tax services, like electricity, like gas, like mobile phones, like broadband; these are absolutely essential for life, and yet nobody is guaranteeing that everybody has access to them at a fair price which is not prejudiced against those on lower incomes, which too often it is.

And we need to clamp down on rent extraction and financial power whilst reclaiming democratic control over economic outcomes in this country, starting, for example, by bringing the Bank of England back under control.

Pie Theory is a neoliberal fig leaf. It's a sign of Labour's failure that it actually talks about this. Labour is clinging to metaphors so that it can try to avoid the need for real change. It's refusing to confront elites or inequality, and that's why its economic plans are failing.

We need to say, "We've got enough pie. Let's talk about the slices." Growth is not the goal. Justice is. The economy is already big enough. It's time to share what we have fairly, and Labour needs to drop Pie Theory as a result, or it's going to be dropped.

If you're interested in what I've said in this video, write to your MP because, like it or not, they're probably a Labour MP in very many cases. Tell them what you think about Pie Theory. Tell them what you think about what we should do about it. Tell them what you think about how we should have redistribution and social justice, and if your MP is from another party, tell them as well.

Use the links below this video to both the transcript of what I've said here, but also to the ChatGPT link that will let you copy and paste that transcript into ChatGPT to produce a letter to your MP that they will have to answer.

Democracy is not a spectator sport. It's a participatory activity, and you can be part of the process of change.

Taking further action

If you want to write a letter to your MP on the issues raised in this blog post, there is a ChatGPT prompt to assist you in doing so, with full instructions, [here](#).

One word of warning, though: please ensure you have the correct MP. ChatGPT can get it wrong.