

Why is so much of the left economically incompetent?

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LabourList published an article last week under the headline “[*Bond markets explained: How in hock are we - and can we break free?*](#)”

The article began with a question that should trouble anyone who cares about democracy: Who governs Britain?

The suggestion made was that the bond markets have become so powerful that even elected politicians must now fear their displeasure.

LabourList then noted that Labour MPs are, reportedly, being warned that rebelling against cuts or tax rises risks incurring market displeasure, whilst Keir Starmer now loves nothing more than invoking Liz Truss as the exemplar of what happens when a government crosses the markets, as though her own incompetence was not the real problem.

They then set out to explain this supposed power. But in doing so, they simply reinforced the neoliberal, antisocial economic mythology that has crippled progressive politics for more than a generation. And this matters, because if the Left continues to accept the framing of market power, it will continue to fail the very people it supposedly exists to serve.

To examine this, I summarised the article's core arguments. They are that:

- * Markets discipline governments
- * Market credibility/trust matters
- * Debt/GDP and sustainability matter
- * Growth is key to fiscal health
- * Financial markets price risk objectively
- * State intervention should be modest/cautious
- * Government must compete in market terms

The trouble is that these are all neoliberal/antisocial to their core, as this table shows:

Neoliberal argument	Article reflection
Markets discipline governments	Yes — bond yields are treated as constraints
Credibility/trust matters	Yes — there is an emphasis on investor confidence
Debt/GDP and sustainability matter	Yes — high ratio flagged as problem
Growth is key for fiscal health	Yes — growth is proposed as part of solution
Financial markets price risk objectively	Yes — yields are interpreted as risk signal
State intervention should be modest/cautious	Yes — radical alternatives (such as 'People's QE') are treated as risky
Government must compete in market terms	Yes — bond issuance tied to private market rates

LabourList tried to conclude its article with this sentence:

Whatever the approach, Labour politicians are more united in trying to get beyond being in hock to bondholders than recent rows suggest.

What this means, and how it relates to what was written before, is very hard to work out because I cannot make the link, but what is clear is that LabourList gave up the argument long before it reached any form of conclusion by:

- * Deciding to frame its entire argument within the neoliberal/antisocial economics framework.
- * Failing to explore any real alternative options. My '[People's QE](#)' is mentioned, but I long ago moved on from that to modern monetary theory, which this article pointedly ignored, and it did anyway reject People's QE as too risky, in the process basically conceding that governments cannot take initiatives, undermining any suggestion that left of centre government has a purpose.
- * Failing to challenge the myth that governments are dependent on bond investors for survival, in the process, actually reinforcing the ideology that has stalled progressive politics for decades.

It really is time for the Left to rediscover its courage and its economics, which I think is impossible until it embraces modern monetary theory, which it appears far too frightened to do. The reason for saying that is simple: the Left needs to embrace the

power of the state, and only MMT lets it do so.

If we are serious about funding the future, the Left must stop treating the bond markets as our masters and start building institutions that put people, and not traders, at the centre of economic decision-making.

That begins with telling the truth, which is that Britain is not in hock to the markets unless its politicians choose to be, but much of the Left seems entirely sure that the government not only is in hock in that way, but that it should be. No wonder it is not delivering in that case.

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