New glossary entry: the economics of hope

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The antidote to the politics of destruction and the economics of failure is the economics of hope, the partner of the politics of care. It now appears in this blog's glossary.

The economics of hope is the alternative to and antidote for the economics of failure. It is an approach to political economy that uses democratic power, honest accounting, and public investment to build an economy designed to meet need, reduce insecurity, and sustain the future. Where the economics of failure manufactures decline to discredit government, the economics of hope demonstrates that good public policy can deliver well-being.

First, the economics of hope begins with purpose. The goal of an economy is not growth for its own sake, but security, dignity, and opportunity within planetary limits. Policy is judged by how it treats those with least power. If the vulnerable are protected, society is stronger; if they are abandoned, both morally and economically, policy has failed.

Second, it recognises real constraints. Governments like the UK that issue their own currency are not financially constrained in the household sense. The limits on public spending are resources and inflation, not myths about balanced budgets or “taxpayer’s money”. Honest macroeconomics allows governments to invest when investment is needed and stabilise demand when recession threatens.

Third, the economics of hope rebuilds public provision. Health care, education, housing, transport, energy, water, and social security are infrastructure for a functioning society. When these are publicly accountable and adequately funded, productivity rises, inequality falls, and trust grows. Where privatisation has failed, democratic control can be restored.

Fourth, it tackles rent extraction. Proper taxation of wealth, land, monopolies, and excess profits curbs pleonexia and redirects resources towards productive activity. Regulation that limits monopoly power and secrecy jurisdictions restores fairness to markets. Finance becomes a servant of the real economy rather than its master.

Fifth, the economics of hope strengthens demand. When incomes at the bottom and middle rise, spending increases, businesses invest, and growth becomes sustainable. Multipliers work in the right direction. Inequality falls, and the economy becomes more resilient.

Sixth, it invests in the future. Maintaining the five forms of capital (financial, physical, environmental, human, and social) ensures long-term prosperity. Education, health, climate transition, infrastructure, and community support are not costs; they are investments that expand real economic capacity.

Seventh, the economics of hope restores democracy. Transparent public accounts, fair taxation, accountable institutions, and strong social security allow citizens to participate confidently in public life. Economic security makes democratic engagement possible.

Finally, the economics of hope replaces the narrative of scarcity with one of possibility. It recognises that most modern economies have the resources to meet basic needs; what is lacking is the political will to organise them fairly.

The economics of hope is therefore the pathway out of the economics of failure. It replaces the politics of destruction with politics for people and a politics of care, creating an economy built on accountability, fairness, and shared prosperity that works because it is designed to serve society as a whole.