

Reeves is still missing the point

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As [The Guardian](#) reported last night:

The bosses of Britain's "big five" retail banks have been summoned to a meeting with the chancellor, Rachel Reeves, this week to discuss how to limit the economic impact of the crisis in the Middle East triggered by the US and Israel's attacks on Iran.

The chief executives of HSBC, Barclays, Lloyds, NatWest and Santander have been asked to attend an emergency summit on Wednesday, amid increasing acceptance that a major economic hit from the Iran war is unavoidable.

The penny is dropping. Reeves' denial of reality is no longer sustainable. As I have been saying for weeks, Trump and Netanyahu's war is likely to deliver an outcome requiring a response at least as great as that required after WWII.

We face shortages of gas, oil, other raw materials, and components for many manufacturing processes. The impact will already last for years, given that no immediate end to this conflict is now in sight.

Hardship, poverty, potential famine, business and personal bankruptcy, recession, and a resulting collapse in government revenues, and more, are very likely to result.

We need rationing, much more progressive taxation to balance enhanced social security payments, and major institutional reform to create resilience as a core element of defence policy to achieve the outcomes we need.

And we need major reform of our economic thinking and of our international institutions, most of which have clearly failed, and a new economic model that rejects the long, tortured, climate-unsustainable, and carbon-dependent supply chains neoliberalism promoted.

Quite why bank consent is required to deliver any of these outcomes is very hard to imagine: none of this is their business, but it seems Reeves thinks it might be. This implies that, as yet, she neither understands any of the issues we are facing nor that

they create a need for her to act, rather than outsourcing action to third parties. The time for such neoliberal responses has long passed, yet Rachel Reeves still misses that point. Maybe she'll never get it. That's why her career as a politician looks to be decidedly limited now.