**‘IT’S THE ECONOMY STUPID’ – IS REEVES RIGHT? IS THERE NO ALTERNATIVE?**

B&H Compass Coffee morning – 22nd March 2025

With the economy high on the news agenda, warnings of massive public spending cuts, and the Chancellor’s Spring Statement due in a few days, this could not have been a more timely event – and the room was packed with Compass supporters eager to hear from our two expert speakers.

We heard first from economist **Stewart Lansley** – visiting fellow at the University of Bristol, Compass Associate, Council Member of the Progressive Economy forum, and author of *The Richer, The Poorer* and a brand new Compass report: *Paying for a decade of national renewal*. Stewart argued that, despite the dire conditions inherited by Labour, there definitely *is* an alternative to their current strategy of adhering to strict fiscal rules along with a reliance on the proceeds of growth alone (the prospects for which are not encouraging) to fund economic and social renewal. Instead, we need a more equal society, with a restructured, fairer tax system updated in recognition of the vast increase in wealth within the economy over the last 30 years. And in addition, a higher level of social ownership, and much tougher regulation over extractive capital.

Offering her responses to Stewart’s thoughts and her expert political analysis was **Polly Toynbee**, Guardian columnist and author of many books, most recently (with David Walker) *The only way is up: How to take Britain from Austerity to Prosperity*. Polly explained how her book aims to set a ‘baseline’ for Labour, chronicling in detail the dire situation Labour has inherited, as a comparison point to evaluate the actions of the Labour government, and, as was the case for Sure Start, to show that social programmes can really work. The context for Labour’s current approach is the influence of the Treasury and the right-wing media – to counter that, we have to start persuading people outside our ‘bubble’ that taxation is needed to pay for what we really value in life. Whilst deploring the disability benefit cuts, Polly had some optimism that Labour would become less timid over time, not least because of its commitment to reducing child poverty in the course of this parliament.

You can read a full report of the event, including a lively Q&A session with a very engaged audience, here …..