



Commentary

The great arguments of our times

By Sebastian Payne

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Capitalism vs socialism, privatisation vs nationalism. These are the great debates in British politics now - arguments that most assumed were long over. Jeremy Corbyn can take much of the credit: the Labour opposition leader wants to re-fight the social and economic battles of the 1980s and the febrile post-financial crash political scene has given him an opportunity.

The governing Conservatives, for their part, have found themselves vexed on how to respond to the Corbyn threat. As the party's annual gathering in Manchester last week confirmed, the split is between those wanting to offer a Labour-lite solution to the electorate's appetite for change - increasing regulation in some privatised markets like energy - and those who totally reject state intervention and yearn for a return to blue-blooded principles of Thatcherism.

What they both have in common is familiarity. The Tories appear trapped by the dogma of the past and seem unable to devise new solutions to meet today's challenges. Those in search of answers would do well to read Diane Coyle's opinion piece in FT Weekend on tackling the problems with privatised monopolies against the threat of nationalisation. Those who still believe in the power of free markets need to accept that capitalism itself is not the problem, but that regulatory policy is in a bad state and needs repairing.

There are many ways to tweak the regulation of nationalised markets to make it more effective. Diane argues that one approach could be to create a single regulatory body with a clear political mandate to be tougher. The nuance would be to make the case for competition in areas it is proven to work, and instill tougher regulation when it cannot. This is the sort of approach the centre right should be pursuing - pragmatic and realistic, not clinging on to ideologies that are increasingly out of step with the times.