

Funding the Future

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<https://www.taxresearch.org.uk/Blog/2011/08/09/riots-and-routs/>

Published: January 12, 2026, 5:15 pm

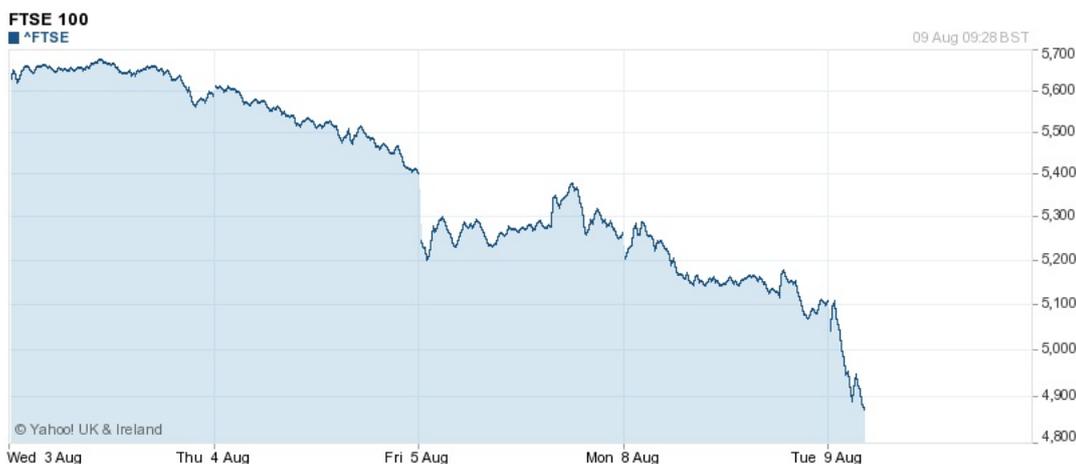
It was a horrid day yesterday.

Few can have watched the scenes in London without a sense of horror, disgust and fear. I lived in London for twenty two years. It's impossible not to feel empathic for those who will today go about their lives their today. And, lest we forget, this is not just now an issue in London: other cities have suffered too.

And yet this wasn't a surprise to me. Surely it wasn't to the government either? For thirty years or more economic crisis in this crisis has led, during the summer months, to rioting. That in no way excuses the rioting. It is criminal. It is wholly destructive. It alienates. Hope dies with it for a while, and takes a long time to rebuild.

But let's be clear. This rioting is not, as some want to cast it, just mindless violence. Violence, yes, undoubtedly and to be condemned as a result. With criminal prosecutions to follow as a result, I also hope. But mindless? No it is not that, as Dave Hill argued, exceptionally well, [on his Guardian blog](#). There are motives and reasons for this behaviour, and in that case it demeans anyone to call it mindless.

Those motives and that behaviour may be destructive, but in that sense they may not be so far removed from the utterly irrational behaviour we are seeing on the world's markets at exactly the same moment. In a very real sense the stock market is being trashed. The FTSE has over the [last few days done this](#):



Nothing suggested that it was going to crash as it has: a week ago there was some hope of stability. But then fear pervaded: the realistic fear in the eyes of those like me who have long forecast that this would happen that there will, as a consequence of the economic policies inappropriately and unwisely chosen by our political leaders, be another worldwide recession.

That fear was justified. Hope evaporated. Panic took its place and is still gripping the markets - as this morning's trading shows.

Was that fear that caused this rout that has trashed millions if not billions of people's hopes - and will do for a long time to come - the same fear that led people to tip over from quiet acceptance of those political decisions onto behaviour that is indication of the same loss of hope?

Can it really just be coincidence that these events happened at the same time?

I can't see any way that the two are unrelated. When any real hope in political leaders - in the US and the EU faded - and with those in the UK just absent - the reality of despair hit.

This does not mean I condone violence: I am appalled by it.

But then I don't condone the behaviour of markets and the enormously adverse impact that they will have either.

What I am saying is simple: that the promise that underpinned neoliberalism - that unlimited cheap credit would be available to make life tolerable now with financialisation and securitisation promising the prospect of a better future tomorrow - when the charade that this has always been was exposed by the simultaneous failure of the politicians who supported it and the markets that sustained it - then at that moment the hope of those who had endured its consequences and who knew its promise of material well being was never going to be theirs to enjoy snapped.

I can't prove that, of course.

I can only suggest it.

I also suggest that this means that the only way forward is to now leave neoliberalism - both the form it's been delivered in and even more so the extreme form that the Tea Party and Tory right propose - far behind us.

Now is the time for Courageous States. My new book on that theme is 85% done. I'll be working on it for the rest of the day.