

Funding the Future

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It's been a fascinating few days (in between the continually depressing news) to monitor the language being used about the economy.

I have an impression for the first time - and I stress, it's an impression and I'm not saying anything more than - that the narrative used by some business commentators with regard to the economy is changing.

Last night on the BBC News there was a UBS banker saying that we had to now think about the period of inflation (an idea I have expressed for some time, to the almost universal horror on the part of commentators). More than that though, he expressed the view that the only criteria for assessment of government economic policy was now whether or not it would create employment.

The on Radio 4 this morning a business commentator (and I did not catch his name) said that there now had to be a frank recognition that the government's economic policy was inevitably leading towards low or no growth. What he also made implicitly clear was this was a choice, which is, of course, true.

Now, two swallows do not make a summer; far from it in fact. But, these are not narratives that we have heard from these sources before. It has been heretical, the preserve of people like me, to make such observation on the radio or television and yet here were two business commentators making it clear that the government has opted for low or no growth, that this is a choice, that there are alternatives, and that those alternatives must now be considered.

To date many on the left have been, unsurprisingly, perturbed by the difficulty of progressing an alternative narrative on the economy. The cuts narrative has prevailed for eighteen months or more now (it seems so much longer). There is no doubt that it has been successful in persuading people of virtue of the government's policies, which anyone who opposes them can tell you has been mighty frustrating when it was always so glaringly obvious that they would lead to an economic catastrophe.

Well maybe, just maybe that narrative is changing now and it is business and bankers realising that the sheer cowardice of governments that want to simply say they're

walking away from the problem, shutting up shop and letting the world get on with things by themselves - which is the right wing agenda - is not good enough.

Government is an economic agent. Democratic governments are elected to effect change. And perhaps, just perhaps, the realisation that business expects them to deliver that change - albeit for the benefit of business but incidentally for the population at large on whom business is dependent - is beginning to dawn.

If it does the case is altered - the economic narrative will have changed. It's overdue to happen, as recent events make more than clear.