

Funding the Future

Article URL

Published: January 12, 2026, 6:28 pm

The Tories are building the new economy that they want.

Yes, there are more jobs, and that has to be good news.

But those jobs are not paying well: wage increases are running at less than 1% and even if inflation is now only 2% that's still a continuing pattern of cuts.

So we have an economy where people are marginally employed by which I mean they are in low paid jobs with little security. That leaves them with almost no room for financial stress - and that stress can always occur.

The result is that business has access to a compliant, subjected, and stressed workforce who have little choice but do what is demanded of them, not least because they know the state's safety net has been taken away from them.

Is this, was this, always the plan? I think so. This is the modern incarnation of the fight against labour.

But equally they know just how risky that plan is. Earlier this month I wrote about the fact [that a 1% mortgage rate rise could increase household costs for many households by £80 a month](#) - a sum way beyond their means. So we had a Conservative Party political broadcast last night saying that interest rates must not rise and Matthew Hancock MP on Channel 4 news saying recovery was very vulnerable. He might as well have been on his knees begging Mark Carney not to increase interest rates.

The Tories are building a marginal rather than a robust economy. The trouble for them is that weakness is always at the margins. And in this case with 15 months to go before an election the whole charade of recovery that they have built may be exposed before May 2015.

I can't really say I wish for that: people will be hurt in the process if that happens and I would deeply regret that. But the fact is that people will be hurt as much if there isn't a change in policy towards building that more robust economy that this country needs, where people can afford to live without fear.

We have a long way to go to achieve that.