

Funding the Future

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There's a [fascinating article in the Guardian, published yesterday](#), asking if a large part of public debt is illegitimate because it was not incurred to support stated policy aims such as investment, job creation and growth, but to support tax cuts for a limited part of society. That illegitimacy is suggested to arise because those who are now being asked to pay for the consequences of that debt are those who had the least benefit from it being incurred, if they had any at all.

I think that the argument is interesting because this is a perspective I have not previously thought about within the UK economy. I also think that the call for an audit of the national debt and who owns it is interesting. There are issues implicit within those requests that very clearly need answering, whether or not the premise of the illegitimacy of the debt is accepted or not.

I can foresee all the problems of a country like the UK seeking to renege on any part of its debt: I think there may be better ways to achieve this through variations on quantitative easing. But, equally, to raise the question of whether debt has to be repaid in the future simply because it was incurred by past governments is something that has become acceptable within the context of developing countries. To raise the same question in a European context is provocative, but that is what good questions should be. This one seems worthy of debate even if at present I have a distinct feeling that a formal Jubilee for national debt may be inappropriate.