

Funding the Future

Article URL

Published: January 12, 2026, 7:31 pm

The quiet realisation that the world economy is in trouble is gathering pace. [Larry Elliott is talking about it in the Guardian](#). As he suggests, after noting that the European Central Bank is looking at a further round of economic stimulus in 2016:

This is a time for caution. The fact that central banks feel the need to provide more stimulus more than six years into a recovery is not a reason to load up on shares or, indeed, any risky assets. Rather, it is a sign of trouble ahead. If the global economy requires a fresh growth boost, it means that an already feeble recovery is waning. If it doesn't, it means there is a heightened risk of a new financial crash or higher inflation.

And [Wolfgang Munchau in the FT says](#), when noting the same planned ECB stimulus package:

My advice to them is first extend the current programme to its outlier limits - another year of QE - agree another cut in the deposit rate and look at the addition of other instruments to the mix, like corporate bonds.

But much more importantly: have a genuine radical plan B ready to unroll in 2016, ahead of the next shock you did not see coming. You will need it.

There are recurring themes here. They are, firstly, that we have not recovered from 2008; second, that there is insufficient recognition of that fact in markets and amongst regulators; third, that there is likely trouble ahead and, fourth, that the necessary measures to tackle that next round of crisis simply do not exist.

I agree with the first three of these themes; they seem to be glaringly obviously true.

As to the fourth? Munchau mentions helicopter money. I am not sure why he just doesn't call it tax cuts. But neither mention People's Quantitative Easing. And what that shows is that there is still a reluctance to think that the state really does have a role in the real economy by having an industrial and economic policy that engages with the physical reality of tangible wealth creation. That reluctance is the problem we really face and in this sense Larry Elliott and Wolfgang Munchau really are as much a part of the problem as they are of being any part of the solution. Calling for Plan B and not having a clue what it might be is not helpful.

People's Quantitative Easing is Plan B.