

# Two out of three promises broken and the third impossib...

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As the [FT notes this morning](#), less than a year after being returned to office on the back of his supposed economic competence George Osborne will have to admit today to breaking two of his three economic promises.

He has already admitted to breaking his welfare cap.

Now he will have to admit that borrowing will increase this year despite his promise to reduce it year-on-year.

And to add to his woes, although I am sure he will not admit it, there is no hope that he can meet his fiscal rule of balancing the books by 2020, as I [explained last autumn](#).

If George was one of my students he may well now be heading for a fail. What's obviously true is that the myth of George Osborne is broken. Despite which, let's be clear, Labour appears to be unable to capitalise on the issue.

Suppose, though, that George Osborne is aware of his own problems. It must be possible for a politician to have that degree of self perception, at least as to their own fortunes. And let's presume that he might use the still considerable authority he has to seek to resolve this situation. What might he do?

First, he will buy popularity. The suggested tax exemptions for modest AirNB and eBay trading will be pathetic gestures, massive tax complications and open doors to much evasion, but I presume they will happen. So will increased allowances, most especially for the higher rate tax bracket, to buy Middle England Brexit votes (not that anyone will recall this largesse by 23 June).

Benefits will be cut in some way.

So will departmental spending be reduced, but the detail will not be disclosed.

Corporate tax takes will be planned to increase modestly, but don't rule out a 17% rate to balance supposed international abuse measures.

The self employed may take a hit: class 4 NIC increases are the obvious one, which will just increase the incentive to incorporate and so be counter-productive.

But none of these things will raise the money needed. There is only one, desperate way that can be done now and that is by asset sales. [This is why I think the sale of housing association stock](#) is the rabbit Osborne will pull from the hat; he desperately wants to be rid of this sector's debt. And this will happen on top of other already expected sales. And all because the core policy of cutting his way to a balanced budget is a tautological impossibility because every pound he cuts costs the economy more, which is why it has been admitted that GDP is less than expected.

George, then, is a victim of his own dogma. But the one thing he won't change is that. We will all be the victim of his resulting desperate acts in one way or another. And he will still fail all his economic tests come what may.

There won't be a lot of laughs this Budget Day.