

Funding the Future

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This comes from the [TUC's blog](#). It was written by Geoff Tily, their senior economics adviser, an old friend of mine and a very sound Keynesian:

Earlier this week, the Chancellor finally admitted what we've been saying for years: that the best way to repair the public finances is not to cut spending but to get the economy growing.

Workers have put up with eight long years of austerity in the name of 'balancing the books' — a goal so sacrosanct that the coalition government tried to put it into law.

But at this week's Treasury Committee, the Chancellor [confessed that](#) the easiest way to get debt down as a percentage of GDP was to "get the economy growing faster with higher trend productivity growth...grow the GDP, strong real wage growth, rising living standards".

You can watch the clip below:

<https://videoplayback.parliamentlive.tv/Player/Index/3e5d5d48-15aa-408a-bea1-43f09f169600?in=2018-11-05T17%3A03%3A04%2B00%3A00&out=2018-11-05T17%3A03%3A38%2B00%3A00&audioOnly=False&autoStart=False&statsEnabled=True>

We couldn't agree more with the Chancellor's assessment, but why has it taken him so long to admit that austerity was a political choice not an economic necessity?

And if the austerity agenda has finally been binned, why is it still being put into practice?

As a former adviser to the TUC I do, of course, echoed Geoff's sentiments. His [analysis that follows](#) that shows that spending is what has driven tax revenues is also well worth looking at.