

2020: what a year

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I have already reviewed 2020 [from the perspective of Tax Research UK](#), but the wider perspective is worthy of comment, if only as the groundwork for looking forward in another post.

There are many reasons to be glad that 2020 is done. Most, of course, relate to COVID. Too many people have died in the UK and around the world from this disease. Already it is one in a thousand people in the UK. That is a horrible statistic. My sympathies go to all who have lost relatives and friends. My thanks go to all who cared for them. It seems that the NHS and those who work in it have been far too readily forgotten, already.

Of course, there are upsides, like the development of vaccines, but so far there are many more downsides to note. Saying so, I am going to avoid statistics and reiteration of the news. And I will sweep the other major event of the year, which was Brexit, into the analysis. There is good reason for doing so, because when looking at the political economy of the UK in 2020 some big themes emerge.

What we saw in 2020 were five emerging themes. First, the Tories ceased to be the party of mainstream business interests and became, instead, the party of speculators and rentiers. Nothing else could explain their indifference in Brexit. Cronyism, on the other hand, explained their approach to Brexit. It is a very long time since abuse on the scale seen this year was a feature of UK politics, and amazingly the public appears quite indifferent to it. Underpinning the government approach to both issues was deliberate prevarication to facilitate what, I am sure, was thought to be the gain to be made from confusion. It was a trait I forecast as theme of government in my 2011 book, *The Courageous State*, where I described its practice as the activity of the cowardly state. I defined that as the form of government that, when recognising a problem, runs away from it always believing that the market will find a solution because chaos inevitably provides an opportunity for gain. And so we ended up with a Brexit deal on Christmas Eve, and the adoption of the Great Barrington approach to herd immunity in the UK, with as yet unknown but likely to be horrendous consequences.

Second, we saw hopelessness in Opposition. The Tories had only two advantages over

Labour in 2020. One was that, as a result of deceit and lies they were in power. The other was that they know what they wanted, even if their goals were wholly anti-social for the vast majority in the country. Labour, on the other hand, lost Corbyn, and the indecision that had been a feature of his period as leader, and gained Starmer, and absolutely no sense of purpose at all. If there is a single overwhelming characteristic of Labour to note in 2020 it is that it has not the slightest idea what it wants, who for, and why. I wish I could say otherwise, but this is the most certain explanation of why it is not light years ahead in the polls when, given the performance of the government, that is where it should be.

Third, and in contrast, issues relating to the future of the Union, saw rapid change. The SNP has succeeded in communicating precisely what it wants. It has also managed to keep a lid on the massive disquiet on Sturgeon's position on a second referendum within the party for the time being, even if I cannot see it lasting beyond May. As a result, the party has had an extraordinary year, and support for independence has grown, considerably. That it will happen at some point is now the obvious conclusion. When the majority of a population want to be rid of their colonial power it happens, eventually, and usually sooner rather than later.

Northern Ireland, meanwhile, was simply abandoned by the UK. That's the best that can be said for the Tory position. For all the claims, bluster and utter nonsense said on the issue by Johnson, he walked away and left it to its fate. As a consequence, the whole of the UK is in an extraordinary position of constitutional isolation. It's very hard to think of a situation where one, supposedly sovereign country, is so utterly divided, with part within and part without an international trading bloc, and with an internal border of some significance within it that represents a considerable obstacle to trade. The British indifference to Ireland has reached its apotheosis and next there must come some form of Irish reunification. It seems inevitable now. I am angry for the people of Northern Ireland; they have good reason to feel abandoned, whatever their views on the future, and that is not healthy.

Fourth, climate change has hardly registered this year. We will live to regret that. The Green New Deal remains no more than a vague promise. Time is being lost, and is potentially irrecoverable.

At the same time, and fifth, the economics of austerity has not been defeated. Labour and the Tories both subscribe to it. The household analogy remains firmly embedded in their economic narratives. Neither shows the slightest understanding of the reality of macroeconomics. Modern monetary theory has never been more in the public eye, and is being run away from on all sides. Tories fear it undermines austerity. Labour fears the Red wall will not like it. Marxists criticise it because they claim it does not embrace an adequate theory of class. And all of them cannot spot that what it describes is the potential for recovery within the economy that we have, which none of them apparently want to partake in. So, we end up with meaningless debate on when to raise taxes, who to impose taxes on, and what cuts to impose rather than having the thinking we need

on the big picture of how we can invest and return to full employment whilst delivering a sustainable economy that modern monetary theory makes possible.

If there was, then, a summary of 2020 it would be that this was the year when the leading politicians sweated the small stuff, for personal gain, or for not knowing what else to do, whilst the big issues of coronavirus, the constitution, the economy and even the future of the UK as a country went on around them without them apparently noticing or caring. If ever we looked to have an unsustainable political system then this was the year to see it in action.

It's been a pitiful year for politics and the political economy. People have died as a result. The fabric of society has been undermined. The UK is falling apart. And the official Opposition seems unwilling to assume its role as the creator of alternatives. It's been deeply depressing, and it may well get worse before it gets better.