

Where the market fails, the state has to step in

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Polly Toynbee picked up on [my ideas published at the weekend](#) on a strategy for the left, saying [in her column in the Guardian](#) this morning:

Where the market fails, the state has to step in. Jettison Treasury rules defining capital spending as only on bricks and mortar, and invest in human capital. Why is further education funding so low and apprenticeships falling, while universities cut places? To shoot through a decade of moribund productivity takes a burst of investment daring, imagination and determination. The only hope is renewable energy, insulation, housebuilding, and research and development to match more successful countries with highly trained and educated people. Borrowing confidently to invest wisely and optimistically shores up a country's credibility against a threatened slide in sterling's value.

Beyond fossilised Treasury thinking, better ideas abound. Take this one from the economist Richard Murphy: the £70bn a year invested in tax-free ISAs should only earn that tax relief by investing in productivity-boosting [green government bonds](#), securely backed, paying a decent return.

It's a useful start.

Now, will Labour pick this up and run with it?