

Funding the Future

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I posted [this thread on Twitter](#) this morning:

Yesterday was bad. It was, in fact, very, very bad. If Johnson was a disaster, Truss has set out to be worse. I very much doubt that any prime minister has set out to create so many conflicts from the outset of their premiership in the way that Truss has. A thread....

The portent of things to come came when Truss's senior adviser team was announced. Her economics advisers come from the Taxpayer's Alliance and the Institute of Economic Affairs. Both are secretive far-right think tanks.

They hate government. They assume that whatever government does can be better done by markets. They don't believe in the NHS. They think pension and care provision should be provided privately. They hate taxes. And now they are at the heart of government.

Another adviser also comes from the IEA. Truss has made clear her course. She will use her time in office to seek to dismantle the state. As a result she sets herself on a collision course with the civil service and the people of this country.

This, I am sure is not by accident. Truss is clearly intent on collision courses. Her first commitment as PM in her speech outside Number 10 was to build more roads. As a rebuke to the green lobby that took some beating.

She managed to beat it, however, by appointing Jacob Rees Mogg to be Business Secretary, with responsibility for the environment. The man is a climate change denier. It is almost impossible to imagine a worse appointment.

Except for Suella Braverman as Home Secretary, who hates migrants.

Or Therese Coffey to Health, despite her dubious track record on abortion issues.

Her sackings were also significant. She has reduced her support base to Johnson loyalists who sided with her against Sunak. It is an incredibly narrow base inside a Tory party that is already deeply divided, and more than able to sack those Prime Ministers they do not like.

She has also set herself on a collision course outside Westminster. Her boosterism, matched with significant spending pledges and promises of tax cuts means that she is on collision course with the Bank of England.

The Bank will read this as inflationary. They will be increasing interest rates as a result. An increase to 3% is now forecast by Christmas. The knock-on effect will be a bigger household budget crisis for some than that caused by energy. Mortgage costs will skyrocket.

That will impact rents too, unless of course this government follows Nicola Sturgeon in announcing a rent freeze, which is incredibly unlikely given its ethos.

Outside parliament, it is hard to see how any of this is going to sell well. An energy price cap at £2,500 will not look like a lot of help for many struggling households.

A fight on civil service pay - which the economic advisers Truss has appointed will want - will crush already underfunded public services and compound many problems in society.

The green agenda is in tatters and matters enormously to young people, unsurprisingly.

Mortgage rate increases will lead to a debt crisis. A banking crisis could follow.

And in all this there is no hint of support for any businesses, except banks and energy companies who are exploiting the current situation for all it is worth. The supposed march of the entrepreneurs that Truss and her cohort believe in is not going to happen.

Instead, the sound of closing doors on businesses heading for bankruptcy is what to expect. I wish I did not think millions will be unemployed. But I do. Truss clearly aims to match Thatcher on this issue.

And this will not be by chance. The IEA is a particular exponent of the idea of the zombie company, as they describe them, which they say only survives because of low interest rates and the implicit state aid that provides.

They have long wanted the economy rid of what they think to be the deadweight that these companies represent within the economy, believing they are holding back creative new opportunities for emergent enterprises.

They call the process they are set upon 'creative destruction'. By creating conflict and collision courses it seems that Truss is intent on this destruction. But there will be

nothing creative about it. That was never possible, anyway. There will just be victims.

Truss has brought the most right-wing government to office in the UK in the modern era. But it's important to note that its right-wing thinking focuses only on what it dislikes. There is no policy agenda within that thinking. Their belief is that need will be met by business.

They believe that out there in the economy are new businesses who have only been waiting for the destruction of government for them to emerge into the marketplace so that they can replace the services the government supplies now.

Some such scavengers will no doubt exist. The health care scammers will abound. Dodgy insurance schemes will be peddled. But this is not the environment in which innovation, risk, the needs of society and the constraints of the planet can be reconciled by the commercial sector.

Truss is, therefore, setting out to fail. Her appointments and priorities prove it. The collision course she is set upon is dangerous. The cost to us all of her choices will be enormous.

In this case we have to ask the question, what comes after Truss? A Labour Party beholden to the neoliberal agenda is not the place to find those ideas. Nor are the simple demands of Enough is Enough a cogent response, even if they are superficially appealing to some.

The time to create the agenda for a post-neoliberal world, where economic and social justice and a belief in the virtues of accountable democracy has arrived. That's where I will be going with my thinking now. We can do better than this. To survive, we have to.