

# Funding the Future

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Many people have been asking me where Danny Blanchflower had disappeared to of late.

The answer was that Danny was thrown off Twitter by Twitter, seemingly for criticising their blue tick policy, and they have said there is no way back, which is quite absurd.

But, with some encouragement, Danny is starting a blog. [The first is here](#). It seems likely that I will have the job of promoting it, which I will be here and on Twitter.

The blog is entitled:

[The economics of walking about...](#)

This is the idea at the core of our Mile End Road economics, which relies on observation of the real world.

The first edition is on inflation and is worth reading in full. I will quote this from Danny's comments on the UK:

*CPI inflation in in the UK in contrast is a disappointing 8.7% after eight of the last ten months in double digits. Despite 12 successive rate increases and asset sales by the MPC which appear to know not what they do. Sadly, these rate rises have hardly any impact at all on inflation which was caused by supply chain issues after the pandemic, the Ukraine war and Brexit. Brexit and its devastating impact on supply chains, especially for food, is what sets the UK apart from every other country. This can't be fixed by rate rises.*

*Unsurprisingly, in their own survey, confidence in the Bank of England is at record lows. Then Chancellor Hunt said it would be just fine to create a recession? Really? I don't think so. We know that inflation hurts but purging it comes at a cost which turns out to be worse. Slowing the economy means a rise in joblessness. Recent work\*\* has looked at wellbeing and found that a one percentage point rise in the unemployment rate has a six times higher impact than inflation on life satisfaction, is four times higher for smiling; enjoyment five times, nine times for sadness and thirteen times for pain. Thirteen!*

He concludes:

*Larry Summers in a BBC Radio 4 interview this week got it spot on. Brexit, he noted, is an "historic economic error" that damaged the UK economy and drove up inflation. The problem for the MPC is that twelve rate rises have lowered the CPI by around a percentage point – rate rises can't compensate for inability to import cheap food and materials. The treatment isn't working but it seems more of the same is planned, why?. To get CPI to the 2% target or so, following the MPC's logic could well require rates to go beyond 25% with the same (pathetic) success rate. UK borrowing costs are back to where they were under Truss as the markets have once again lost confidence in UK PLC. The moron premium is back. Where is that lettuce?*

A very good question.