

The do less and tax less style of government is over

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As Emma Agyemang in Copenhagen and Chris Giles have noted in the [FT big read](#) today:

[The] entire consensus around taxing and spending could start to crumble [soon]. Since the 1980s ushered in Reaganomics in the US and Thatcherism in the UK, the dominant political idea in many advanced economies has been smaller states that do less and tax less.

What they make clear is that this consensus may be over. Governments have appreciated their need to spend more. Borrowing capacity may be constrained. Tax, is then the answer. And in that case, knowing who to tax more on, and what revenue is capable of being raised is critical.

That is what the Taxing Wealth Report will be about.

Of course there will be many on the right who will deny that the world is changing. But the reality is that the era of asset stripping government is over. Around the world it is apparent that underinvestment has left states impoverished. Simultaneously we need a green transition. In that case tax is going to be back in vogue, whatever politicians might say now. Nothing else will make the economic equations work.