

Liz Truss gets (almost) everything wrong

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I was amused in slightly odd ways by a [report in The Guardian yesterday](#) that suggested:

Liz Truss was among the headline speakers at this week's Conservative Political Action Conference at the National Harbor in Maryland [USA]. CPAC is billed as the biggest annual gathering of conservatives in the US but has in recent years embraced Donald Trump's brand of nativist-populism.

They added:

In Wednesday's opening session, an "international summit", the ex-PM sat side by side with Nigel Farage, former leader of the Brexit party, both with small union flags on the table in front of them.

They then noted:

Not for the first time Truss ... sought to portray herself as the victim of bureaucratic forces. "I ran for office in 2022 because Britain wasn't growing, the state wasn't delivering, [and] we needed to do more," she said. "I wanted to cut taxes, reduce the administrative state, take back control as people talked about in the Brexit referendum. What I did face was a huge establishment backlash and a lot of it actually came from the state itself."

She continued: "What has happened in Britain over the past 30 years is power that used to be in the hands of politicians has been moved to quangos and bureaucrats and lawyers so what you find is a democratically elected government actually unable to enact policies."

She went on to list the Environment Agency, Office for Budget Responsibility, Bank of England and Judicial Appointments Commission. "There's a whole bunch of people - and I describe them as the economic establishment - who fundamentally don't want the status quo to change because they're doing quite fine out of it. They don't really care about the prospects of the average person in Britain and they didn't want things to

change and they didn't want that power taken away."

Truss added: "So I think that's the issue we now face as conservatives. It's not enough just to will conservative policies and say we want to control our borders or we want to cut taxes or we want to reform our welfare system because we have a whole group of people now in Britain with a vested interest in the status quo who actually have a lot of power."

So why was I amused, in a slightly off way? That was because Truss is, to a very large degree, right. There is such a body of power in the UK that is trying to preserve the status quo. I am not sure that she was right to name the Environment Agency (although she might well be), but without a doubt, the Office for Budget Responsibility, Bank of England and Judicial Appointments Commission do their utmost to maintain the existing hierarchical power structure of the UK that greatly favours some (the wealthy, privileged few) in society at cost to the vast majority of people. So, I agree with Truss on that.

Of course, what I do not agree with her about is that this power structure is left-wing, woke, or anti-market. It is anything but those things. It exists to reinforce prejudice, maintain the interests of markets and undermine the role of government. Truss gets all her analysis totally wrong.

But she's right: political economy matters at least as much as economics, and political economy is all about hierarchies of power that can be used to allocate resources within any society. We have such hierarchies of power and they are dangerous. They, admittedly, might keep the politically deranged like Truss at bay. But they also maintain the power of an elite in our society. And that is why they are a threat to the general well-being of this country, but for precisely the opposite reason that Truss thinks.