

Funding the Future

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Politics is the art of the possible and not about the creation of ideal solutions, about which few are likely to agree in any case. It's important that this is understood because far too many political debates argue over the pursuit of goals that are unachievable.

<https://youtu.be/HkDgzDZP8wl?si=64U26sxZblqhsTYg>

This is the audio version:

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The transcript is as follows:

Perfection is the enemy of the good. I wish I didn't have to say that. I would have thought it was glaringly obvious. And yet, time and again, when I am engaged in public debate, I come across people who argue that we must have a perfect outcome to a situation. And if we can't, then we shouldn't do something.

So, for example, and I'm going to use an example which is very familiar to people who've been following my videos of late, let us look at the vote to remove the winter fuel allowance that Labour has put through Parliament.

Many people have said this is justified because there are people who are pensioners who do have sufficient income and who do not need the £300 payment, and therefore, they should have it taken away even if those who are in the most marginal situation where they cannot claim pension credit because their income is just above the allowable limit lose as a consequence.

In other words, seeking a perfect solution to get rid of people like me, they must get rid of those people who actually really very badly need it but who don't qualify for pension credit and will be in poverty as a result.

This is an idea that represents perfection being the enemy of the good. Yes, you can argue that I don't need the winter fuel allowance. Yes, you can argue that I should pay tax on it, and I would agree with you. But if you want to get rid of paying it to me, you are at some point going to create a crisis for those who need it and who don't qualify for it.

What is more, you'll create a crisis because we know that throughout the entire history of non-universal benefits, like the pension credit system, that there has been a major problem with people making applications for such benefits because they don't know how to do so, or they can't face the administration of doing so, or these days they do not have the digital access which is virtually a prerequisite of making the claim.

So, what we know is that however hard we try to get a system that will preclude me from getting the winter fuel allowance, we will also be punishing those who need it.

And what we have to accept is that there is a tradeoff. The tradeoff is either a very expensive system with a much higher threshold for excluding people, which will not punish those who are likely to need it, but which therefore requires a whole new application process, or we accept that that is just too expensive and too onerous and too unlikely to work and therefore we do instead accept that there is a cost to paying people like me but it's worth doing because we achieve the social gain of ensuring that people aren't going to die of hypothermia because they will have enough to settle their winter fuel bills.

There is no perfect answer to the problems I've just posed. Whichever one we opted for, we would end up with a compromise which would not suit everyone. There would be some people who gain in some systems, some people who lose with significant cost in other systems. Whichever way we look at it, we've got to accept that we're making a choice which will be suboptimal. And that's what politics is about.

Politics is about deciding what is the least worst choice in very many cases, and not what is the best choice. So, you have to have a criterion for deciding what is the least worst choice.

And the criteria for that is the least worst choice is the one that benefits the most vulnerable the most.

So the choice that has been made by Rachel Reeves is not the best one because it punishes some who are vulnerable very heavily. That is not a good choice as a consequence.

She could, instead, maintain the current system. That would have been a good choice, because that ensures that the most vulnerable are protected, and that is the criteria for an ethical decision.

And she could have decided to build the £300 winter fuel allowance into the basic state pension, because that would also have protected the most vulnerable.

But she chose the worst of the options.

Whenever a politician has to make a choice, they will never be able to achieve perfection.

They have to be suboptimal, but their suboptimality must, and I cannot stress this enough, always be biased to the vulnerable. If the vulnerable and the poorest are not protected by the decision, it will always be a bad decision when there was a better one available that did protect those people. It's as simple and straightforward as that.

And that is what ethics is all about - having a guiding principle that makes sure that those most in need are protected from whatever it is that society is exposing them to unnecessarily, even if as a consequence some others gain perhaps inappropriately.

We must have a bias to the poor. That is what this is all about. And without that bias to the poor, we will not have good decision-making from Labour or any other government, because the role of government is to protect people in this country from harm. And one of those harms is poverty imposed by government by poor decision-making, and they have a duty not to do that.