

What is it about economic reality that the FT cannot se...

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In my [video and related post](#) on the policies that I think Keir Starmer should have presented to the Labour Party conference this morning, I put forward the idea of a government much more actively involved in the UK economy.

The reasons for that was simple. As I said:

The City of London, which is the supposed pinnacle of capitalist activity within our economy, long ago forgot that its job was to provide new capital to business so that real economic activity could be created as a consequence. Instead, it just operates as a casino.

It is, in that case, interesting to see an alternative put forward by the Financial Times this morning. In [an editorial they say](#):

When it comes to a key thread of [Starmer's] speech — the need for a more active government in Britain — Labour should tread carefully. The UK does require a government that ensures hospitals, prisons and housing are built, and trains made to work, and invests where necessary. But often this should be in conjunction with private business and funding. The goal must be to create the infrastructure for investment and entrepreneurialism to thrive so that growth can take off — but without overweening interference.

This is absurd, for a number of reasons.

Firstly, entrepreneurialism has not solved these problems despite being given forty years to do so.

Secondly, as I note, the City is not providing funding to solve these problems and clearly does not want to do so.

Thirdly, hospitals, social housing, prisons and trains are now all started led activities - so the private sector cannot be the lead on any of them.

Fourthly, no one is saying that the private sector will, however, be excluded from the gains from the investment the state must make: no doubt vast sums in contracts to deliver new construction (amongst other things) will flow from the ideas that I suggest. It is having a customer that drives business innovation, and the state will provide the private sector with that custom. It is that fact that will drive innovation and growth.

What is it about economic reality that the FT cannot see and does not understand?