

# Funding the Future

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2025 is not looking good politically. Trump will be in the White House. Europe is in disarray. Starmer is already a lame duck. What chance have we got of anything going well?

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And this is the transcript:

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What does 2025 offer politically? It's an important question because we have to plan. If we don't plan, we will fail, as the old saying goes. And therefore, to look forward is a necessary part of life, knowing that forecasting is one of the most stupid things that we can do.

Just look back a year.

We would have forecast that Labour would form the government in the UK, with a landslide.

We would not have forecast that they would have ended the year in the mess they're in.

We would not have forecast that Macron would have called an unnecessary election in France and, as a result, left the country with four governments in a single year.

We may not have forecast the collapse of the coalition in Germany and all the consequences that now appear to be flowing from that with regard to the rise of the right.

And would we have forecast Trump? I don't think so. I didn't. I held out hope that the Americans might just have some sense and vote against Trump, even if not for the Democrats, who never did excite anyone at the present point in time. But they didn't. They voted for Trump.

So, where does that leave us with forecasting 2025? In a pretty difficult place, let's be totally honest. Because the fact is, we don't know what's going to happen.

The most massive uncertainty is, of course, all down to Trump, and let's not pretend otherwise, because what he does as leader of the USA will have enormous influence on the UK, Europe and way beyond. And it looks as though he is intent on destruction.

What we have to ask is, what is he really going to try to destroy?

Is he going to destroy world trade by undertaking trade wars as he threatens?

Is he going to undermine the dollar, which he could do if he did that trade war?

Alternatively, will he inflate the dollar or the US interest rate to support the dollar because the dollar is threatened by trade war?

And in turn, will he in turn crush so many countries outside the USA whose debts are denominated in dollars, with massive consequences for worldwide poverty.

Will he turn on the American people and, in particular, will he try to human traffic 11 million people out of the USA to destinations unknown?

Will he turn on the labour unions?

Will he turn on his political opponents?

Will he turn on the press?

All of these things are not known. But depending upon what he does, the popularity of the far right around the world will be impacted. And the far right around the world is going to be one of the major stories of 2025.

We know that in the UK, Nigel Farage is seeking massive funding from Elon Musk, and maybe others according to his party, to transform the way in which he thinks UK politics can be done by putting Reform in the mix as the main opposition party to Labour when it comes to the 2029 election, a feat which would not be terribly difficult to achieve given the dire state of the Tories now, but which nonetheless would totally transform

our agenda.

Unless that is, Trump, by then, has made it so apparent that far-right populist politics is sufficient to crash the well-being of the people in a country and therefore leave Farage and all his look-alike copies in Europe and beyond bereft and forlorn because their dreams will be dashed on the wreckage created by Trump.

I don't know the answer to that question. It's a simple, straightforward fact. How can I? How can anyone else know the answer to that question? These are things that we simply cannot know because we are dealing with a situation which is really beyond our experience.

However much we dislike politicians, and a lot of people dislike politicians, and there's some good reasons why they should, because, let's be honest, there's some evidence that they're not the most trustworthy people on earth, we presume that they will be rational, at least to some degree, and predictable, within a certain parameter, and yet Trump is none of those things.

Who would have predicted that we would have a president of the USA who's demanding control of the Panama Canal, over which he has no rights, and that Denmark give him Greenland, over which he has no rights. And yet he's done both those things over the Christmas period. So, we are in unknown territory.

And what we do know is that the neoliberal politicians have no answers to any of the challenges that he poses.

Austerity is not an answer to anything that the far right can put forward. They will talk about transforming our society. What we know the far right will really do is crush the role of government and, therefore, destroy the hopes of millions of people in the UK who depend upon it. But that isn't how they will describe their mission before they get into office.

And in response, we will have neoliberal politicians, whether they be Tory, whether they be Labour, whether they be Liberal Democrat, or frankly, SNP, all of whom will say "We must deliver government within the budget constraints that exist because we are dependent upon the taxes paid by the private sector economy to deliver the services that you want from us. And those services cannot be paid for as a result because they're not paying enough tax." All of which ignores the absolutely simple, straightforward fact that they create the money that pays the tax in the first place.

And so, neoliberals have run out of road. And this is the crisis for 2025. Neoliberals without any idea how to manage the situation that they themselves have created by focusing upon balanced book politics above all else and far right populists trying to destroy that system, but with nothing to put in its place.

The challenge for 2025 is to find anything out of that mess.

It is going to be a mess.

It is going to be difficult.

It may well be uncomfortable to an extent that we are completely unfamiliar with.

I don't see the government in the UK collapsing as a consequence, although clearly in France that is quite possible because the latest incarnation put in place by Macron looks as unstable as the last few that he's created.

And in Germany it is highly likely that an unstable coalition will result from the election that they've got to have in the new year.

And there are many other countries where there are still problems of instability, including Korea, where frankly, we have no idea what government might emerge, but which is of significance in terms of the stability of the Pacific Rim.

In all of those countries, there are problems. In the UK we may see a change of leader. Will Starmer survive this because he's been so bad, and will Labour MPs, seeing their own futures at threat, want to keep him? I don't know. But there is no obvious heir apparent anyway.

Angela Rayner for Prime Minister? It would be an interesting idea, but it would be pretty unpredictable, I think.

Rachel Reeves for Prime Minister? I don't see it.

And nor do I see Wes Streeting for Prime Minister.

So, Keir Starmer will probably survive by the skin of his teeth. Maybe to be abandoned in 2026.

But the big questions for politics in 2025 are not domestically grown.

The stability of Ukraine, the stability of the Middle East, are the other factors that we have to look at in this as well. What will happen in those conflicts? Who knows, because they are almost beyond our understanding in the sense that these are existential conflicts by states to try to extend their power in a way which is beyond our comprehension because we wouldn't want to do it.

So we have to be broad-minded about politics in 2025, knowing that unless we are, there is going to be no agenda for 2026. And that's what 2025 is really going to be about, establishing an agenda from which we can build again.