

Funding the Future

Article URL

Published: January 12, 2026, 7:23 pm

Rachel Reeves did an interview with Nick Robinson of the BBC this week as part of a new series that he is producing entitled Political Thinking. This is a podcast, and the [audio is available here](#).

As Nick Robinson made clear, the fact that the interview took place this week was not by chance. Rachel Reeves' team suggested the date. He never successfully extracted a reason for that. My guess is that they thought they would have something good to say after Reeves' visit to China. What is very clear is that events got in the way.

What, however, was more clear was that Reeves remains as economically illiterate as ever. The biggest evidence of that was that in a programme called Political Thinking she literally had none to offer. That was both politically, where no hint of political philosophy was on offer from her, and economically, where her whole thinking could be summarised in one word, which was growth.

And with regard to growth, after she acknowledged that there has been no growth of any consequence in the last fourteen years, she claimed that growth was essential to deliver increased incomes for working people. What she did not mention was that despite that lack of growth the rich had got richer despite the lack of growth, and yet, somehow, she still thinks that growth will trickle down. That can only be described as delusional thinking.

Worse though, when discussing her belief that 'the sums must add up' (which makes no accounting sense, because they always do), she went back to her favourite story about watching her mother balance the household budget at the kitchen table, making it clear that she thought that she had the same obligation to do this with the nation's finances. Robinson, who was supine throughout, did not challenge Reeves on this. He should have done. In 2022 [the BBC offered this guidance](#) on the use of the so-called 'household analogy' which Reeves was using, and very obviously believes in:

Household analogies are dangerous territory, intensely contested, and can easily mislead.

Actually, they are just wrong. The explanation is quite simple. Reeves' mother did not

have her own bank. Reeves herself does, in her role as Chancellor. It is called the Bank of England. It does not use other people's money, as her mother had to do, because she could not create her own. It, instead, creates all the money that we use, and it is its task to do so, otherwise, the economy could not function. Without the cash injections that deficits by the government create, our economy would not have the credit it needs to function or grow.

Either Reeves does not understand this, in which case she is not fit for office, or she does understand it and pretends not to do so, which makes her even more unfit for office.

A Chancellor who has no comprehension of such basic macroeconomics and who is without a political philosophy should never have been allowed near the Treasury. She has been. No wonder we are in trouble.

I would not recommend listening to the programme. It was tedious. But if you do, then I suggest having the snooker on at the same time, as I did. That meant I did not waste half an hour of my life.