

# Should the state be managing infrastructure again?

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As the [FT asks this morning](#):



It is entirely appropriate that the FT raises this question. For decades, neoliberalism has dictated that all economic activity be undertaken on a just-in-time basis, with every margin being restricted to the tightest possible degree to ensure that productivity is supposedly maximised.

What is now very apparent is that this is a wholly inappropriate approach to the management of infrastructure. This approach has been based on three ideas.

The first is that there should be no resilience built into infrastructure systems.

The second is that maintenance should be kept to the minimum possible.

Thirdly, it is suggested that this is efficient.

Taken together, these three assumptions are entirely false.

Firstly, there is such a thing as systems critical infrastructure. Resilience is absolutely essential in such cases, but neoliberalism has not recognised that.

Secondly, the idea that maintenance can be skimmed or deferred is absolutely wrong. All that this does is eventually increase costs. The perfect example is with regard to road maintenance. Waiting until potholes appear is the worst possible way to maintain a road. People are injured or killed as a result of potholes. Vehicles are damaged. The externalities of failing to maintain the road are, therefore, very high. And, eventually,

the credibility of the road as a whole is prejudiced by a process of continual patching, requiring an overall increase in costs when the matter is finally addressed.

The fire in a substation that knocked out Heathrow for a day is the clearest possible indication that we now have economic thinking on infrastructure wrong.

When most infrastructure was state-managed, resilience was built into systems. The obvious question to ask is should the state should now be managing infrastructure again?

We would have saved ourselves the water debacle if that had been the case.