

# Funding the Future

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For 50 years, Western politics has rested on a single promise: growth.

But what if that promise can no longer be kept?

In this video, I ask a question almost no politician dares to face: what happens to democracy when growth flatlines permanently? I explore stagnant wages, finance-driven “growth”, asset bubbles, pensions, public services, and the political risks of a collapsing economic myth.

If growth cannot return, we must change the purpose of the economy itself — or risk losing democracy along with it.

[https://www.youtube.com/watch?v=c8UJ0AsqOfo?si=OoXvrjX\\_L1vh1hFK](https://www.youtube.com/watch?v=c8UJ0AsqOfo?si=OoXvrjX_L1vh1hFK)

This is the audio version:

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This is the transcript:

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When economics denies reality, can it really sustain itself? My question is relevant because what happens if the truth is that we simply cannot grow the economy anymore? In that case, is the whole story of economics as we now know it over? Because after all, that story is what has held Western democracy and neoliberal

capitalism together for 45 to 50 years, and has it now finally run out of road? Those are the questions I'm gonna ask in this video.

The question is one that no one in politics dares to ask. That's because everything in our politics now depends on the assumption that growth is inevitable. Just listen to any politician almost anywhere, and the one thing that they promise is growth, but it isn't happening.

Data in the UK at present shows this.

Data in the USA pretty much supports the view, when and if they'll ever get data out of Trump's government again.

In the UK, we are stagnant, and what that means for most people is that, in fact, of course, their incomes are falling, because the history of economic growth is that most of the gains go to the rich, and therefore, if the overall aggregate outcome of the economy is a static flatlining situation, the rich are still getting richer, but everyone else is getting poorer. And so the public policy promise that has been made, on the basis of which people vote for politicians, is failing. Every policy promise that goes alongside that one of growth is also failing, because whether it be improved public services or tax cuts, every one of these also relies on the promise of growth.

But what if growth, as we have known it, is actually finished? What does a democracy do when its central myth collapses, as I think might be happening right here, and right now?

The heart of the problem can be easily stated, as most working people know right now, real growth has not happened for them for a very long time. Their wages prove it. They've been stagnant for decades. Recorded growth has only been kept going by finance and not by real productivity. The City of London has been used to disguise stagnation by creating asset bubbles and increased debt. That is why Rachel Reeves calls the City of London "the jewel in the crown" of the economy, because it props up her illusion of delivering growth. But you cannot run a society on illusions forever.

When finance is the engine of growth, you are already in trouble; that's the truth of the matter. Finance does not create new resources; it reallocates claims on existing ones. It inflates debt far beyond what the real economy can service, and eventually the claims outrun the capacity of society to deliver. That is the moment when democracies begin to crack. When the foundations of debt fail, so too can democracy itself.

What happens if this finance-based model fails? Well, asset prices will collapse as I expect, share prices to do in 2026 now.

House prices will fall.

Pension systems will become unstable.

Wealthier and even middle-class people's security will collapse.

Confidence will go with it.

Public services will face deeper crises because it will be claimed that the tax base has shrunk and therefore they're unaffordable, and governments will lose all their arguments for hope. The promise that things will get better through growth will vapourise.

That will create a political risk. There could be a vacuum where hope used to be. So, what do politicians offer if they cannot offer more via growth now? What happens when the centre cannot explain what is happening and the right exploits the resulting fear? Democracies depend on shared belief. Remove that belief - and growth is the one thing that has been left which people have held in common - and cynicism will flourish. The danger is not of decline; it is of total disorientation and then failure.

Could Western democracies, in fact, cope with this idea of the collapse of growth, not just now, but for good, because, and this is inevitably true, we cannot have infinite growth on a finite planet? Could they survive this? Have we just built institutions based on a desire for expansion and not stability? And in that case, has our political class got the language required to talk about sufficiency or sustainability when growth has gone? Our media treats growth scepticism as heresy. So can our democracy survive without its founding myth?

And could the political class adapt?

Could they accept demilitarisation as a rational response to resource limits, for example?

Could they embrace redistribution as essential rather than ideological as a way of releasing economic potential currently untapped?

Could they support public purpose over private accumulation as the goal of politics, even though for the last 45 years or more, they have abandoned public purpose altogether?

Or are they just too entrenched in market dogma to actually change?

What happens to work if this narrative about growth comes to an end? Remember, our supposedly best minds are dragged into what are appropriately called bullshit jobs in the City because the system depends on them to maintain the illusion of growth, which we currently have. But if that is shattered, if the presumption of growth fails, that entire labour allocation collapses as well. Do we have the willingness and even the skill to redeploy talent into care, the green transition science and our communities, which this would require? And can we, in fact, change the whole purpose of the economy itself, which would be the underpinning of this shift?

Then there is the security question. Can we reorientate if the West is confused, frightened, and leadless? And who might step in if we can't? Could it be Russia? Could it be China? Will private capital provide the alternative to what the state has done? Or will we just see authoritarians abuse the situation and take power? Power does, after all, abhor a vacuum and declining systems attract predators. Our confusion could be exploited just as we once exploited others.

So what is the alternative, because there must be one? I never end without hope.

Can we build a political economy, not dependent on endless consumption?

Can we have a state that guarantees security, but not growth for its own sake?

Can we have public investment guided by real resources and not spreadsheets?

And might we manage the redistribution of income and power so society can function without the bubbles which appear to underpin our illusions of growth at present?

If we could, we would rebuild public services as the backbone of national stability in that case.

We could and would reorientate investment towards renewables and energy efficiency.

We could and should create well-paid, meaningful jobs in care, education, and infrastructure.

And we could and should replace austerity with long-term public planning.

But to do that, we have to realise that strength does not come from GDP growth. It comes from social cohesion, material security, and public capability. A society that meets its own needs democratically cannot be colonised by markets, or by foreign powers; that is the new truth that we have to embrace. Real sovereignty begins with real resilience.

So, what must we confront?

First, growth may not return in the form politicians promise; let's face the facts and own up to them and get on with the rest of our lives.

Second, finance cannot deliver prosperity when the real economy is constrained, and as a matter of fact, it is. We are finite; let's face reality.

Third, we need a new story of economic purpose centred on care, sufficiency and stability, something that I've been talking about for ages.

And fourth, failing to do this invites political capture, externally or internally, and

neither appears very attractive to me.

So the path forward is that we must redesign the economy for wellbeing and not consumption. We can secure democracy by making it materially grounded and just. We can rebuild public infrastructure and redirect talent to where it matters, and we can resist geopolitical exploitation by becoming economically honest and socially cohesive; there is, in fact, no other way.

If we cannot grow, we must change the purpose of our economy; in other words. That is my real conclusion here. If finance collapses, democracy must not collapse with it. That may be the crisis we face in 2026.

And if politics cannot promise more, it must, at the very least, promise better, and better for the vast majority of people. If it could do that, then we can get through this. And if we want a future worth living in, we must build that economy I've talked about for so long, based upon care, sufficiency and truth and not on illusions created by the City of London.

The bubble we have, the bubble we are living in, the bubble on which Rachel Reeves is relying, will burst. That's an inevitability. Everyone knows it will. But it may be the last bubble of all, and that's something which none of the institutions of power in this country have got their heads around as yet. The fact that growth might be over and that we must face a new world is something that is so new, so shocking, so unthought of as far as they're concerned, that they cannot embrace the idea, but we must. We must accept this reality, and prepare for a future that is different, very different from what we've had, but which might nonetheless be very much better.

What do you think? There's a poll down below.

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## Poll

[poll id="274"]

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