

Funding the Future

Your opinion, please

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A lot of people have said positive things about the new visual image presentations of arguments I have tried over the last couple of days. I am still working on these and have significantly developed ideas around presentation, including alternative themes.

Two broad visual themes have emerged from discussion so far, which are alternatives. They are as follows, reworking of the austerity / government debt theme from this morning.

This is option A, which is popular in the team here (slightly to my surprise)

AUSTERITY

We were told there was no choice. But that was a choice.

1. THE BIG LIE
We were told:
• Britain had "run out of money"
• Debt was too high
• Deficits had to end
• Cuts were unavoidable
↓
NONE OF THESE CLAIMS WERE TRUE.

2. WHAT AUSTERITY REALLY IS
Austerity ≠ economics
Austerity = a political choice
↓
Government deliberately spends LESS than society needs.
Not because it cannot spend.
Because it CHOOSES not to.

3. THE FALSE STORY
The claim:
DEFICIT
↓
DEBT
↓
BANKRUPTCY
↓
CUT SPENDING
DANGER
Hidden assumption:
Government = household
WRONG.
A currency-issuing government is not a household.

4. HOW GOVERNMENT ACTUALLY WORKS
Government authorises spending
↓
Bank of England makes payment
↓
New money enters the economy
↓
Tax happens later
↓
Some money withdrawn
↓
BANK OF ENGLAND
↓
Government cannot run out of pounds.
So...
LACK OF MONEY IS NEVER THE REASON FOR AUSTERITY.

5. WHAT SHOULD HAPPEN IN A DOWNTURN
Private spending falls
↓
Demand falls
↓
Jobs disappear
↓
Government should increase spending
To support:
• employment
• incomes
• businesses
• investment
• public services
↓
Government spending stabilises the economy.

6. WHAT AUSTERITY ACTUALLY DID
Public investment reduced
↓
Local government weakened
↓
Public services cut
↓
Living standards damaged
↓
Growth slowed
↓
Productivity weakened
↓
Society became less resilient.
PUBLIC SERVICES CUT

7. THE REAL COST
Austerity did NOT save money.
It transferred costs into:
• poorer health
• worse education
• housing shortages
• failing infrastructure
• inequality
• insecurity
• lower future growth
CUTS TODAY
↓
GREATER COSTS TOMORROW.

SIDE NOTE
DEBT WAS NEVER THE PROBLEM.
The real question is always:
Are the people, skills and resources available?
If yes, Government can fund their use.

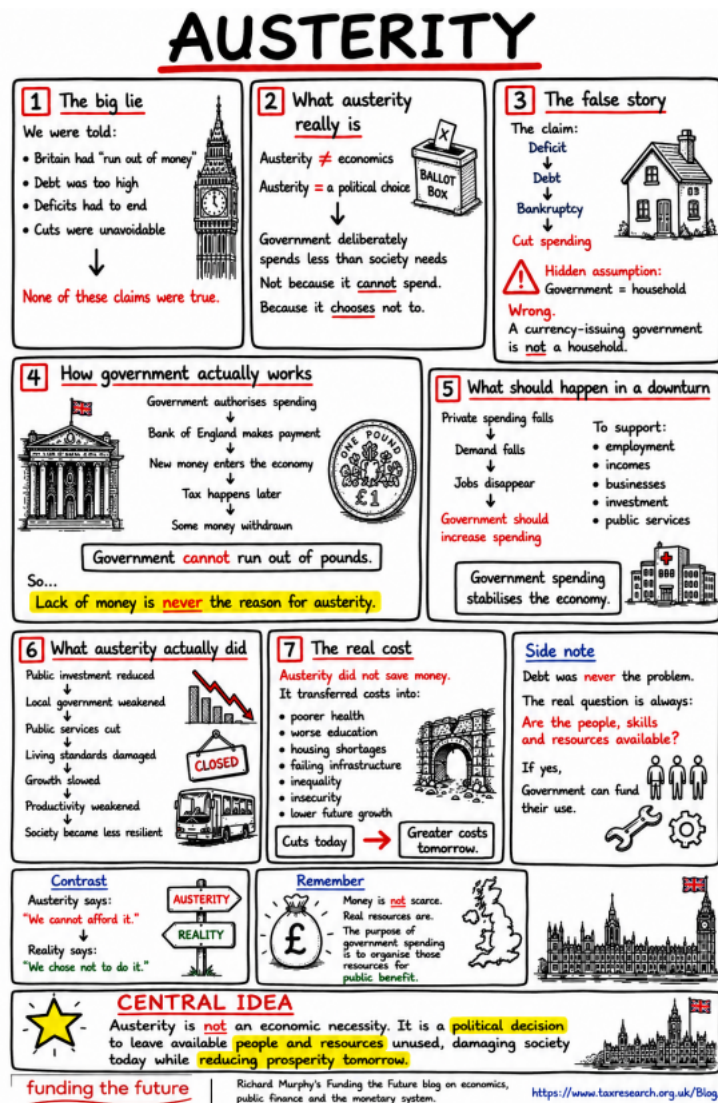
CONTRAST
AUSTERITY SAYS:
"We cannot afford it."
↓
REALITY SAYS:
"We chose not to do it."

REMEMBER
Money is not scarce.
Real resources are.
The purpose of government spending is to organise those resources for public benefit.

Austerity is NOT an economic necessity.
It is a POLITICAL DECISION to leave available people and resources unused, DAMAGING SOCIETY TODAY while REDUCING PROSPERITY TOMORROW.

funding the future | Funding the Future | Richard Murphy's Funding the Future blog on economics, public finance and the monetary system.

This is option B:



Might you please ignore any text differences at this moment? They just show one idea can be spun in more than one way. I am interested in which style you prefer, or whether you think we need to try again. Might you vote in this poll?

[poll id="453"]