

MOVING WITH THE TIMES: SEEING AND GOVERNING DIFFERENTLY IN A COMPLEX CRISIS

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May 2024¹

Disclaimer: The views in this paper are personal views of the authors and are not representative of any organisations to which they are affiliated

ABSTRACT

This paper examines how entrenched economic models and data drive governmental responses to the current complex and multifaceted crisis in the UK. Despite increasing awareness of climate change, rising inequality and weaknesses in public infrastructure, political ideologies and their data systems focus on market forces, economic growth and fiscal integrity. This narrow focus neglects critical aspects of public well-being and the realities that people are faced with in their everyday lives.

The reality of the nation in the Spring of 2024 is summarised, noting that while the neoliberal market and small state framework continues to dominate, too much is undervalued in the economic models that were constructed decades ago. Considering more inclusive and comprehensive approaches to governance of the complex, multifaceted and rapid challenges in contemporary society, the paper explores how viewing data as a *collective good* (following Mazzucato) rather than as a private or state asset can open up perspectives and empower local communities and civil society, thereby addressing the damaging disconnect that exists between central policy and lived reality.

While much is being written about how Artificial Intelligence (AI) can open new doors to help by leveraging vast amounts of information for public benefit and by offering greater scope for innovative methodologies capable of addressing the complex realities of the present crisis, AI also brings new challenges. The current digital landscape is dominated by powerful “big tech” entities - raising concerns about monopolistic control and the concentration of power. In parallel, populism is seen to be re-emerging in a digital media society fed in part by a background of anxiety and confusion. Alongside these, a key recurring theme is the urgent need to address the pressing issue of climate change – not yet positioned as it should be at the centre of the information and policy landscape.

“WHAT WE SEE IS WHAT WE GET”:

THE ECONOMY AND THE DATA THAT DESCRIBE IT

Our last paper, entitled “*A Nation in Difficulty: Lived Experience Under Polycrisis*”, looked at the UK’s recent fortunes and how fast-moving and inter-connected “local vortices of crisis” had become significant in the lives of those who are less well off. Connected and cumulative events, where one negative thing interacts with another, is something that disadvantaged people would immediately recognise - but it has become more widely experienced. People face higher risks in their lives -

¹ Please cite as: Peter Lloyd and Michael Blakemore (2024) *Moving with the Times: Seeing and Governing Differently in a Complex Crisis*, <https://www.peter-lloyd.co.uk/papers-and-blogs/>

struggling to cope over a decade when government austerity has been focused on cutting public service expenditure, and the basic services they depend upon.

That paper noted that the *scale and complexity* of the current crisis is much greater than government seems willing or able to recognise. In this paper the focus is on how the data systems that their political ideology has our politicians depend on plays a powerful role in framing a narrowly *economistic* view of where we are, and what needs to be tackled going forward.

The view set out here is that part of the problem of bias arises because we have become conditioned to looking at things through a *particular informational lens* – one that selects for some things and leaves others out ('it's the economy stupid'). This is not simply a matter of what information and data we have to hand (there is a lot) but that sitting behind that lens are some firmly entrenched views, developed over decades of government, about what data models and information are important.

For example, although there is ever more awareness of the *global climate crisis* in real terms, the subject comes up in political discussion as at best a secondary issue - one to be addressed at some point in the future, largely because of the entrenched dependency on oil and gas. The same could be said for the *extremes of inequality* that have become worse in the UK over recent decades². The data are stark, but a government can still seemingly plan in the next Budget for continuing expenditure cuts. Data are not heeded (but they exist) to map out the *creeping collapse of the public service realm* in the UK, where the potholes on roads, and polluted beaches and rivers are there to remind us daily³. The *economistic* view is that these and many other *critical problems* are of secondary importance to economic growth and fiscal integrity and will have to wait for attention until the more pressing fiscal issues are addressed – hence the recent backtracking on the target of 'net zero' for the environment⁴.

The annual talkfest that surrounds the Chancellor's *Spring Budget* gave further evidence of the priorities of the present administration. There was the usual detailed Treasury and OBR data on the current situation and future projections for economic growth (GDP). Insofar as the issues of environment, inequality and the state of the public realm had a place in the Chancellor's Statement they came packaged under a reassertion of adherence to 'fiscal rules', and the criticality of the Public Sector Borrowing Requirement (PSBR).

A small decimal order of change in the UK prospects for GDP growth needed to be responded to by a series of budget measures to *continue austerity and public service cuts* with a view to creating 'headroom' for future tax cuts (that would in some way restore economic growth). This bewildering mix of terminologies and numbers means that few, other than those working in public finance, can unpack the numbers, the forecasts, and the statistical uncertainty surrounding the calculations. Instead, most of us just hear the policy promises.

FRAMING THE PRESENT CRISIS THROUGH A NEOLIBERAL MARKET 'GAZE'

HOW DID WE COME TO BE 'HERE'?

The post-war decades saw a belief that, following Keynes, the state could use its weight and spending power to balance out recessions⁵. Then, the economic crises of the 1970s saw questions arise about whether public funds could ever be enough to meet the demands that had been created without

² <https://www.bbc.co.uk/news/uk-68625344> <https://ifs.org.uk/articles/income-and-wealth-inequality-explained-5-charts>

³ <https://www.instituteforgovernment.org.uk/comment/public-services-doom-loop>

⁴ <https://www.ippr.org/media-office/sunak-on-the-wrong-side-of-history-says-ippr>

⁵ For a succinct and readable view a good source is https://en.wikipedia.org/wiki/Post-war_consensus

damaging the economy as a whole⁶. The reaction came through Thatcher's adoption of the *New Right* ideas of Friedman and Hayek.⁷ In the Blair-Brown era, strong fiscal discipline was still maintained and the broad philosophy continued under *New Public Management*⁸ - a public administration approach to controlling costs as an alternative to the Thatcher market and monetary approach.

For some forty years after the Thatcher period a particular economic philosophy has predominated. This is *free market neoliberalism*, which has an emphasis on the freedom of the individual and a restricted role for the state. *New Public Management* added a focus on evaluation and cost control metrics in a drive to achieve greater efficiency. That economic philosophy has shaped, and still dominates, the way government views the world.

Neoliberal economic models have had a powerful role in providing not just the ideology but the technical backdrop (data system) supporting the proposition that *the free market* will fairly arbitrate those difficult choices that any society has to face in allocating its resources. The market is considered to be a *neutral device*, while the State is not to be trusted with economic management - the individual is thereby the beneficiary⁹. It does not exactly work like this in practice, of course, but the economic model is the ideal to be strived for.

At the global level, the international financial market bodies set up after the war through the Bretton Woods Agreement¹⁰ (the World Bank, the International Monetary Fund - IMF¹¹) are the custodians of a framework set up by subscribing governments (chiefly under United States tutelage) through a set of commonly agreed rules about markets and trade. The international financial marketplace is still heavily influenced by signals from them¹². It is this global system, as much as anything, that binds national governments like the UK into a strongly codified system for collecting and reporting particular data on their economic performance. We looked at this in some detail in our earlier paper *Coping in Times of Polycrisis: The Truss Debacle in the Wider Context, 2023*¹³.

The point about this is that post-Thatcher governments (of different political shades) have consistently applied an essentially *economic* gaze on how well or badly we are doing. This is the norm for most countries in the liberal capitalist world (although *The Economist* is worried that the liberal consensus is breaking down¹⁴). Nation States need to play by the rules to get the 'right' numbers against the right set of agreed parameters. Get this wrong and reactions can arrive very quickly in the global digital

⁶ King, A. (1975). Overload: problems of governing in the 1970s. *Political Studies*, 23(2–3). pg 166

<https://doi.org/10.1111/j.1467-9248.1975.tb00068.x>

⁷ Williams, B. (2024). The 'New Right' and its legacy for British conservatism. *Journal of Political Ideologies*, 29(1), 121–144.

<https://doi.org/10.1080/13569317.2021.1979139>

⁸ https://www.ucl.ac.uk/bartlett/public-purpose/sites/bartlett_public Purpose/files/new_public_management_and_innovation_policy_a_systematic_literature_review.pdf

⁹ There is, of course, a huge debate on all this going back to fascism and the post-war reflection on how to learn from it.

We are in no position to open this up here, but we offer two succinct quotes. The basic idea sitting behind this, as Wilkinson (2021) puts it, is to “*depoliticise the economy, to naturalise inequalities and, above all to value markets, competition and private ownership*”⁹ Hilary Hogan (2021) in reviewing Wilkinson's book puts it more acerbically as a system for: “*shielding the market from the masses*”. <https://cadmus.eui.eu/handle/1814/75992>

¹⁰ Now defunct, it had a powerful post-war role in creating international financial arrangements for the recovery and initiated the IMF and the World Bank <https://www.investopedia.com/terms/b/brettonwoodsagreement.asp>

¹¹ For a quick overview See; <https://www.bbc.co.uk/news/business-17493655>

¹² As the UK discovered to its cost in 1976 when the pound fell by 25%.

¹³ <https://www.peter->

[lloyd.co.uk/app/download/5814299888/Polycrisis+and+Simple+Economic+Models+The+Truss+Debate+in+the+Wider+Context+%286.1%29+2.pdf](https://www.peter-lloyd.co.uk/app/download/5814299888/Polycrisis+and+Simple+Economic+Models+The+Truss+Debate+in+the+Wider+Context+%286.1%29+2.pdf)

¹⁴ <https://www.economist.com/leaders/2024/05/09/the-liberal-international-order-is-slowly-coming-apart>

marketplace as the Truss episode demonstrated¹⁵. This is where the Chancellor's fiscal rules come into play¹⁶. Increasingly agile financial players in the international bond markets can spot and react to negative indications very quickly and the penalties for a national government delivering the wrong data messages can be disastrous.

It is important, then, not to be naïve about what *can and cannot be done* under the international financial regime the nation operates within. Achieving national economic growth would, of course, be the way to make the hard choices that much easier. Available surpluses would make things much less contentious for elected politicians. Governments still have to play the game, however, and genuinely radical policies about how to go forward will always be harder to pursue. We need to bear this in mind throughout the rest of the paper when review the current situation in the UK.

HOW DOES THE UK SYSTEM FOR ECONOMIC DATA WORK?

In the UK national context, a small number of key institutions sit at the heart of the system the government uses to observe and steer the nation's fortunes in accordance with its political manifesto. Up front for reporting is the independent OBR (*Office for Budget Responsibility*), which is tasked with publishing detailed five-year forecasts for the key components of the public finances¹⁷. At the heart of government itself and with a key role on economic data matters, is HM (His Majesty's) Treasury¹⁸. The two organisations come together with responsibility for a large-scale macroeconomic model (the *OBR-Treasury Model*¹⁹) to offer advice to government by means of a set of complex mathematical equations aiming to represent the functioning of the economy as a whole²⁰. Then there is the Bank of England²¹, which is independent of government, and that produces its own set of forecasts of things like inflation over fixed periods looking forward²².

The key national institution for official data is the ONS (*Office for National Statistics*). The ONS is best known as the producer of the decennial *Census of Population* and the statistics relating to the labour market, but it has a very much wider brief. It is the central public body for managing data²³ and for "collecting, analysing and disseminating statistics about the UK's economy, society and population". It is a significant national asset, and the UK is regarded internationally as a country that benefits from excellent data series on all kinds of subjects²⁴.

The above collection of bodies sits at the apex of a sophisticated institutional structure for collecting, processing and disseminating the 'hard' (i.e. numerical, statistical) data that configures the world that we see talked about in government, parliament and the press broadsheets.

The quantified evidence that these and other bodies collectively assemble sits at the heart of the governmental decision-making process²⁵. When the Prime Minister and the Chancellor stand up to

¹⁵ <https://theconversation.com/liz-truss-an-economist-explains-what-she-got-wrong-and-what-shes-actually-right-about-228065>

¹⁶ <https://www.instituteforgovernment.org.uk/explainer/current-fiscal-rules>

¹⁷ <https://obr.uk/forecasts-in-depth/obr-macroeconomic-model/>

¹⁸ <https://www.gov.uk/government/organisations/hm-treasury>

¹⁹ <https://obr.uk/forecasts-in-depth/obr-macroeconomic-model/>

²⁰ https://obr.uk/docs/dlm_uploads/Final_Model_Documentation.pdf

²¹ <https://www.bankofengland.co.uk/>

²² The Bank of England is reviewing its data and forecasting systems: <https://www.bankofengland.co.uk/independent-evaluation-office/forecasting-for-monetary-policy-making-and-communication-at-the-bank-of-england-a-review/forecasting-for-monetary-policy-making-and-communication-at-the-bank-of-england-a-review>

²³ <https://www.ons.gov.uk/>

²⁴ www.data.gov.uk is a UK Government project to make available non-personal UK government data as open data. It was launched in January 2010 and now has more than 47,000 datasets.

²⁵ When Truss and Kwarteng chose not to refer their political programme to the OBR the outcome was extreme.

speak and when Parliament debates the Budget or the Financial Reports from the OBR, these are the statistics that make the headlines. The media report GDP trends, and indicators such as inflation and interest rates, public expenditure, the trade balance, investment, employment welfare benefits and so on. Such key indicators are watched closely not just at home but also by the international finance markets, especially the bond markets²⁶ and the currency exchanges.

Using these systems and sources, UK government ministers and politicians make critical decisions like whether we can pay doctors more; fill more potholes; fix crumbling school buildings; ensure that waterways are free of pollution; whether HS2 should be cancelled; what funds we can muster to fix a struggling NHS and so on²⁷.

The government set out its recent targets on 28th March 2024²⁸. This is where the focus on ‘fiscal rules’ comes in. Initiated by George Osborne against the backdrop of the financial crash, the requirement is to have government debt falling as a percentage of GDP over a 5-year time horizon and for the annual deficit not to exceed 3 percent of GDP over that same time period²⁹. This policy choice was started post economic crisis by imposing a climate of austerity - with welfare benefits, public sector wages and the revenue costs of maintaining public infrastructure needing to fall year on year. In an article entitled *Time to fix Britain’s fiscal fiction* no less a commentator than the *Financial Times*, declares that the spending rules are not working - going on to offer a powerful critique³⁰.

SMALL STATE RHETORIC: PUBLIC SPENDING CONTINUES TO RISE

The prescription derived from the laissez-faire model to operate with a ‘small state’ is still a UK national aspiration. Public expenditure and public borrowing are tagged as being unequivocally something to be wary of - even where public investment will support growth or is just necessary to keep things running. Adhering to the fiscal rules is even a promise made by Labour should it win the next general election³¹. Messages to the ‘markets’ have a prime role in this, of course, since in reality public expenditure has continued to rise.

Despite the rhetoric of keeping down the costs of maintaining the public infrastructure and cutting public services under austerity there has been more, not less, government borrowing³². Yes, there was a pandemic to cope with (and some questions about private contracting still waiting for answers) but there has been no shortage of dedicated injections of funds when government feels the economic or political need (for example Rwanda for immigrants³³) to respond or react to the sort of crises that are noted in the next section of this paper³⁴.

Of course, the ideological stance rules out having a strategy for these sorts of things, so it is just a case of coping with ‘market failure’ when things don’t work. Every government response to media

²⁶ <https://www.investopedia.com/terms/b/bondmarket.asp>

²⁷ Not least among the “rules” is the critical 2% inflation target for which there seems to be no empirical justification. <https://www.theguardian.com/commentisfree/2024/feb/01/the-damning-truth-about-the-uks-2-inflation-target-its-completely-made-up>

²⁸ <https://commonslibrary.parliament.uk/research-briefings/cbp-9329/>

²⁹ We are still operating in the same mode 14 years later. See: <https://www.theguardian.com/uk-news/2024/mar/05/uks-fiscal-rules-obr-treasury-budget-jeremy-hunt>

³⁰ <https://www.ft.com/content/50be0bcf-25af-4763-8c80-79754434a473>

³¹ <https://www.reuters.com/world/uk/uk-labours-finance-chief-vows-stick-fiscal-rules-2024-03-10/>

³² <https://www.bbc.co.uk/news/business-50504151>

³³ “For each person relocated, the UK is to pay up to £150,874 to cover the costs of asylum processing and integration, spread over five years, plus up to £500 for healthcare”. <https://www.ippr.org/articles/costing-the-rwanda-plan>

³⁴ Public debt currently stands at £2.6Tn, is equivalent to the total of GDP and continues to rise. (Wed 21 Jun 2023) <https://www.theguardian.com/business/2023/jun/21/uk-government-debt-above-100-per-cent-of-gdp-first-time-since-1961>

questioning seems to come with ‘we are spending X millions/billions on’. Yet, as of early May 2024 the Chancellor reaffirmed the need for fiscal discipline, and there are warnings that the debt mountain will one day become insurmountable³⁵.

There is a proposition running through the models and policies that both the system of economic logic and the data used to support it are somehow objective. The data are certainly compiled, analysed and interpreted according to the highest professional standards - but sitting behind both is *a particular view of the world*. On this basis, policies focus on positive GDP growth, low taxes, a favourable trade balance, high inward investment, low unemployment and inflation and a booming consumer society - hopefully under the logic of trickle down³⁶, with something for everybody. These are considered to be the key indicators of the good life³⁷.

The evidence is, however, that waiting for the market to deliver positive outcomes without some radical thinking about what is meant by growth (creating a surplus perhaps), and how and in what form it is to be achieved (a strategy to do better), even within the constraints of the international rulebook is currently more a matter of ideology than creative practical thinking.

THE ACCEPTED VIEW OF GROWTH AND WELLBEING

Consistent with the economic lens is GDP (Gross Domestic Product), which stands out as the dominant measure for how the UK economy is doing. GDP is defined by the ONS as follows: *“in very simple terms, GDP measures how much is produced, how much is spent and how much is earned in the economy over a given period and, also, how this changes over time. Preliminary, secondary and final estimates of GDP are released over a quarter as data becomes available”*³⁸.

Formally, GDP is calculated as the total *monetary value* of goods and services (‘output’) produced plus either everyone’s income, or what everyone in the country has spent. It is based on the value counted as arising within the UK national border.³⁹ The ONS explicitly advises that GDP is an ‘estimate’ that can be revised following more data being received. Despite this, the media mostly report the figure as an absolute and credible number⁴⁰.

It is GDP that is cited by Ministers or the mainstream press and media when they are talking about the general situation and prospects for the country. In this context, small numerical variations can frequently acquire considerable rhetorical weight. For example, April 2024 saw GDP grow by 0.1 percent, and the UK was described as *“climbing out of recession”*. Then in mid-May, the BBC reported that *“the economy grew by 0.6% between January and March, the fastest rate for two years”*⁴¹. The Prime Minister was able to declare that *“our plan is working, delivering brighter Britain”*⁴². Small numbers, strong messages. The May local elections seem to have responded to a different story.

³⁵ <https://www.ft.com/content/8aae5789-5eb2-45f8-98ba-981b31a99055>

³⁶ <https://www.lse.ac.uk/research/research-for-the-world/economics/tax-cuts-for-the-wealthy-only-benefit-the-rich-debunking-trickle-down-economics>

³⁷ We do not want to get into epistemology (theories of knowledge) here but there are active debates here about how the whole idea of free markets is a particular knowledge system that carries with it how the world should be seen and assembles methodologies and data that are consonant with that view. (See Herzog, Lisa, (2023), *Citizen Knowledge: Markets, Experts, and the Infrastructure of Democracy*, Oxford Academic, New York)

³⁸ <https://www.ons.gov.uk/economy/grossdomesticproductgdp>

³⁹ What is reported as being “inside the UK” may these days be more a matter of corporate policy for tax purposes than actual value that accrues inside the country.

⁴⁰ <https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/articles/gdprevisionsinbluebook2020/2023>

⁴¹ <https://www.bbc.co.uk/news/business-68983741>

⁴² <https://www.bbc.co.uk/news/av/uk-politics-68836481>

There are, however, serious and increasingly relevant concerns about what GDP *does not measure*. For example, GDP does not, measure ‘non-market’ transactions, and is based on private value in monetary terms under a market-based ideology. This means that the public sector - health, education, environment, welfare benefits or other ‘non-monetary - non-economic’ measures of overall wellbeing are not part of the core calculation.

There is a substantial literature on the inadequacies of GDP as a measure for today’s circumstances⁴³. One of the key issues is that a binary distinction is made in concept and data between two sectors – the private and the public. The one is taken to be the driver of the country’s economic health, while the other is expenditure that has to be carefully regulated to avoid the costs of debt holding the nation back. The public sector is regarded as essentially *dependent on* private sector growth in a construction that derives directly from the underlying thesis on which the neoliberal capitalist free market works - two windows framed by a conceptual logic that has lost its traction in the world of experience.

Mariana Mazzucato promotes the idea of a revision of this public versus private dichotomy in “*Governing the economics of the common good: from correcting market failures to shaping collective goals*”⁴⁴. She suggests that by fostering a “*collaborative approach, where knowledge is shared, rewards are socialised, and accountability and transparency are at the forefront*” it is possible to break out of the binary restriction. This would come through having the benefits appropriately shared between both public and private beneficiaries (and adjusting how we measure the economy to take account of this). To unlock a different view for the future there is a need to look to a *shared ownership of value* that is neither exclusively public nor private.

In the ultimate sense as Mazzucato puts it, “*only by redirecting our economy – with public value at the centre of production, distribution, and consumption can the economy be shaped and co-created to produce more inclusive and sustainable outcomes*”. More than this, Mazzucato sees the public sector as a *primary contributor* to growth, looking back at how powerful a role this plays in driving forward innovation in the avowedly liberal capitalist US in a balanced partnership between private and public.

Since this is still an idea in progress (though Labour has bought heavily into some of the Mazzucato thesis) it is important to be aware of what sits behind current GDP based claims about national ‘growth or the lack of it, especially so given the weight that it carries in national debates.

With GDP in the UK growing by only 0.1 percent over April 2023 to April 2024 (shrinking by 0.3% between October and December 2023, falling again by 0.1% between July and September) and now rising by 0.6 percent in the last three months, there has been a rollercoaster of small numbers. But reactions to them have been substantial in policy terms. The UK was deemed to be first *in recession* and then *climbing out of it* and now looking at an economy that has *turned the corner*.

Meanwhile, we are living through a complex crisis in the world of lived experience largely arising from things not measured in the definitive indicator for how well we are doing. After all, on the World Happiness Index⁴⁵ the UK ranks only 20th, with the first four being Finland, Denmark, Iceland and Sweden.

⁴³ Hayden A, Gaudet C, and J Wilson (2022), *Towards Sustainable Well-Being: Moving beyond GDP in Canada and the World*, University of Toronto Press, ISBN 978-148752415; Boarini and D’Ercole (2013), *Going beyond GDP: An OECD Perspective*, <https://doi.org/10.1111/j.1475-5890.2013.12007.x>

The Conversation, June 2021, <https://theconversation.com/gdp-numbers-are-not-what-they-seem-how-they-boost-us-and-uk-at-expense-of-developing-countries-162468>

⁴⁴ <https://doi.org/10.1080/17487870.2023.2280969>

⁴⁵ <https://worldhappiness.report/ed/2024/happiness-of-the-younger-the-older-and-those-in-between/#ranking-of-happiness-2021-2023>

CONTINUING TO ADOPT THE ESTABLISHED PLAYBOOK OF NEOLIBERAL CAPITALISM

Despite the concerns about GDP and related measures, governments and political parties continue to frame their policies for managing the wellbeing of the nation with respect to accepted fiscal rules and economic indicators - albeit while focusing their day-to-day attention on battles about sovereignty, immigration and identity. Since the broad choices on offer to voters are also still set within the orthodox economic framework, politics itself is conducted firmly within the *Neoliberal* capitalist model of democracy.

The fact that the majority of people might come up with a rather more nuanced view when asked directly what a 'good life' and wellbeing might consist of, seems thus far unable to shake the central narrative. Under this, important things like global warming, extremes of inequality and collapsing public services have to follow the primary task of getting the economy back into shape. This is the case even though economists themselves have challenged and still critique many of the most fundamental assumptions underpinning this base theory. It is still with us in 2024⁴⁶.

In view of all this, it is important to be clear about what must be done under the regime the nation operates under and what things to do differently. Nevertheless, an awareness of what we are not measuring that we should needs to rise against a fast-changing context where new kinds of crises become more frequent. The UK has a set of well-established and deep-rooted data-producing institutions for economic management that history, ideology, and technological evolution have strongly shaped. They operate within an international institutional context that espouses neoliberal free market principles. Using these systems and sources and their fiscal rules, today's UK government ministers and politicians claim to tell us about the things that really matter.

DIFFERENT TIMES, DIFFERENT ISSUES, SAME MODEL OF GOVERNANCE

A LIMITING AND SECONDARY ROLE FOR THE STATE

The current very challenging conditions are not those of Thatcher's time in the last century. The tools and levers chosen to make things better are, however, still drawn from variations under the same basic playbook. So, inflation data shows a rising trend, and deflationary measures are deployed; public borrowing increases and austerity is applied; unemployment shows a rise in certain localities and targeted measures are rolled out, rising costs of welfare see benefit cuts and a more stringent regime.

The State is still seen as having its primary role in dealing with those areas of the economy where market failure arises and to do this within a budget continually facing a fiscal rule that demands continuing reduction in expenditure in the public sphere. In 2024, public expenditure, as in the 1970s, is still seen as a potential drag on enterprise and investment and must be cut back in the interests of 'fiscal probity' to release investment and individual initiative through tax cuts that will, by rule, generate investment.

CUMULATIVE BACKLOGS FROM THINGS NOT DONE AND THINGS ABANDONED

A legacy of the adoption of the Neoliberal capitalist model for the last 50 years is that there has been no strong emphasis at the centre for so many of those supposedly non-economic things that are essential for daily living. For example, clean water in the home, in rivers and at the beach. Top of the news today is the state of critical components of the basic infrastructure for life, such as the railways, the roads (potholed), school and college buildings, parks and leisure facilities, libraries and public

⁴⁶ See. Coscieme Luca et al (2019), Overcoming the Myths of Mainstream Economics to Enable a New Wellbeing Economy, Sustainability, <https://doi:10.3390/su11164374>

administration offices and a raft of other items of public infrastructure. How is it that these stories about pollution, degradation, collapse and closure across the public infrastructure we all share are hitting us across the board just at this time?

Easy political answers quickly turn to government failures, and there is undoubtedly good reason for that, but the causality goes far deeper in those prevailing models. In the specific post-Thatcher version of the Neoliberal capitalist model, these essential items are visualised through that binary public/private separation at the core and through a mode of economic analysis and that details first and second order priorities.

The reason that there are potholed roads, patched motorway repairs, railway track failures and landslip disruptions, collapsing school buildings and social housing complexes, polluted sewage filled rivers and beaches, and so on, is because governments chose not to value and invest in them, even if they knew how dilapidated they were becoming. The country is reported as being in a state of infrastructural collapse⁴⁷. The reason for the current urgent concern now is because the life cycles of the structures and systems have built into them finite timescales for structural survival – conditions usually known about at the design stage that carry a blueprint for essential maintenance.

Perhaps 40-50 years would be about right to see unevenly or un-maintained physical infrastructures showing signs of serious collapse. The timescale is not irrelevant. It maps onto a history of fixation with market forces and small state economics in government between the 1980s and the 2020s.

THE SCALE AND SCOPE OF THE DIFFICULTIES PEOPLE ARE CURRENTLY HAVING TO FACE

The simplicity of the accepted models for how the economy works is beguiling. It makes a complex world very simple to grasp and explain. However, the disjuncture between the world the Chancellor talks about in a Budget speech, and what people have to confront in their daily lives, has become a chasm. Growth measured by GDP has been flat for a decade, affected by what the LSE terms “*chronic underinvestment in capital and skills*”⁴⁸. Productivity has failed to rise. Earnings have been on a plateau. The investment needed to give a prospect of higher productivity and of an increase in earnings has simply not been enough. Growth has faltered. Meanwhile private profits have soared⁴⁹.

Infrastructure and services present a more realistic lens of impact on citizens – one not theoretically grounded on the OBR, the Treasury and the ONS and the economic gaze of the last half-century. There has always been another world of data and research and analysis available from reportage by the universities, the charities and the broadsheet press and those think-tanks less attached to following the government line.

While many will have a particular political position, these well-found bodies of evidence are not consolidated into some grand model with clearly defined parameters and a capability to be interrogated by sophisticated algorithms. They appear as government departmental studies, published peer reviewed papers, reports sponsored by prestigious bodies and individuals, think pieces in the media and so on. Many are evidenced from intensive surveys and set within the canon of qualitative analysis. They tell more directly how things are in Britain in 2024.

To do justice to them would be an elephantine task since there are thousands of items that would qualify to be noted (but potential technical solutions are noted later). To make the point, however,

⁴⁷ <https://www.ft.com/content/66cc9a84-6d03-41c6-ad28-af3a1494f0cb> <https://theweek.com/news/uk-news/962244/is-britains-infrastructure-failing>

⁴⁸ <https://www.lse.ac.uk/News/Latest-news-from-LSE/2023/k-November-2023/Chronic-under-investment-has-led-to-productivity-slowdown-in-the-UK>

⁴⁹ <https://www.theguardian.com/business/2024/feb/15/british-gas-profits-energy-bills-centrica>

what follows in Table 1 is a selection, not in any order of importance or particular quality, but to give a flavour of what is the lived experience of today when people with an interest seek to look at what is going on. Many sources have their biases of editorial line, particularity of approach, ideological underpinnings. Nevertheless, they can give a flavour of the current situation.

TABLE 1 – HOW BAD CAN IT GET? COMPONENTS OF A POLYCRISIS?⁵⁰

Theme	Details and sources etc.
Infrastructure	
Investment crisis	National Infrastructure Commission 2024 Report “ <i>Failure to go further, faster over the next five years on plans for infrastructure delivery could constrain economic growth and threaten climate targets, according to the government’s official infrastructure advisers</i> ” ⁵¹ .
Sewage	Lakes, rivers and beaches polluted by sewage ⁵² . Sick Cambridge and Oxford rowers ⁵³ . Frequent dumping of raw sewage ⁵⁴ .
Water	25 years since the last reservoir was built ⁵⁵ , and a geographic imbalance ⁵⁶ between where water is available (rainfall) and needed (the southeast relying on a diminishing aquifer ⁵⁷). Privatisation has not delivered on investment ⁵⁸ , private equity sucks money out ⁵⁹ ⁶⁰ . Executive pay levels remain high even when failure is evident ⁶¹ .
Rail	The dis-integration of the rail network continues with franchises many of which are ‘privatised’ only in name ⁶² and owned by foreign nationalised groups ⁶³ . Ticketing byzantine ⁶⁴ , and expensive.

⁵⁰ <https://chamberuk.com/rishi-sunaks-popularity-falls-after-conference/>

⁵¹ <https://nic.org.uk/news/window-closing-on-infrastructure-catch-up-warn-government-advisers/>

⁵² <https://www.bbc.co.uk/news/science-environment-67077510>

⁵³ <https://www.bbc.co.uk/news/uk-68701486>

⁵⁴ <https://www.islandecho.co.uk/isle-of-wight-worst-affected-area-after-torrent-of-sewage-released-due-to-storm-babet/>

<https://www.cambridge-news.co.uk/news/local-news/sewage-floods-st-ives-park-27949212>

<https://www.london.gov.uk/Mayor%20calls%20out%20%E2%80%98scandalous%E2%80%99%20five-fold%20increase%20in%20sewage%20dumped%20into%20London%E2%80%99s%20rivers>

⁵⁵ <https://www.newcivilengineer.com/latest/the-challenge-of-building-more-reservoirs-to-ensure-uks-water-resilience-01-09-2022/>

⁵⁶ <https://www.ft.com/content/ac8c9521-9b97-4d16-ad5a-14b71eb30588>

⁵⁷ <https://www.southeastriverstrust.org/water-water-everywhere-or-is-it/>

⁵⁸ <https://leftfootforward.org/2023/07/majority-of-public-support-taking-shares-off-polluting-water-companies-instead-of-fines-poll/>

⁵⁹ <https://realassets.ipe.com/infrastructure/thames-water-private-equity-model-was-allowed-to-outflank-the-regulator/10067725.article>

<https://www.theguardian.com/business/2023/jun/30/in-charts-how-privatisation-drained-thames-waters-coffers>

⁶⁰ <https://www.theguardian.com/business/nils-pratley-on-finance/2023/jul/05/the-best-way-to-save-thames-water-list-it-on-the-stock-market>

<https://www.ft.com/content/ba0bc8df-e760-4cee-b291-21708be28c6f>

⁶¹ <https://www.thelondoneconomic.com/news/how-much-ceos-get-paid-water-companies-uk-sewage-rivers-346443/>

⁶² <https://gbrtt.co.uk/keep-informed/blogs/beesley-lecture/>

⁶³ <https://weownit.org.uk/who-owns-our/railways>

⁶⁴ <https://www.independent.co.uk/travel/news-and-advice/history-return-rail-fares-train-prices-b2276820.html>

<https://www.independent.co.uk/travel/news-and-advice/rail-fares-lner-single-leg-pricing-b2355196.html>

Theme	Details and sources etc.
	Climate change - disruption through events such as flooding ⁶⁵ and landslips ⁶⁶ has increased ⁶⁷ . Schedules under threat ⁶⁸ , rolling programmes of strikes and industrial action ⁶⁹ lead to significant uncertainty as to whether a train will run.
Bus	Shredded timetables, communities without viable public transport ⁷⁰ . Bus subsidies reduced ⁷¹ . Outside major cities a lack of integrated transport ⁷² modalities and networks, with negative impact on economic development ⁷³ .
The Climate Emergency	
Green	Dilution of green promises on national emissions ⁷⁴ .
Education and Learning	
Education	Schools crumbling for lack of investment and maintenance ⁷⁵ .
Wellbeing	Inadequate provisions for those with special needs ⁷⁶ . Still no promised plan for social care ⁷⁷ .
Higher	High levels of staff departures ⁷⁸ , and teacher shortages ⁷⁹ . Strikes for better pay and conditions ⁸⁰ Growing dependence on overseas fee payers in higher education ⁸¹ .

⁶⁵ <https://www.bbc.co.uk/news/uk-england-wiltshire-67180798>

⁶⁶ <https://www.networkrail.co.uk/stories/landslips-explained/>

⁶⁷ <https://www.newcivilengineer.com/latest/landslip-damage-repairs-on-the-rail-network-cost-38-6m-last-year-11-05-2023/>

⁶⁸ <https://www.independent.co.uk/travel/news-and-advice/britain-worst-train-operators-railcancellations-b2433263.html>

⁶⁹ <https://www.nationalrail.co.uk/travel-information/industrial-action/>

⁷⁰ <https://www.thenorthernecho.co.uk/news/23418020.cuts-county-durham-arriva-bus-services-will-impact-livelihoods/>
<https://www.independent.co.uk/news/uk/politics/map-bus-routes-cut-labour-b2388980.html>

<https://www.bbc.co.uk/news/uk-politics-66442599>

⁷¹ <https://www.local.gov.uk/about/news/thousands-bus-routes-risk-amid-funding-uncertainty>

⁷² <https://bettertransport.org.uk/wp-content/uploads/legacy-files/research-files/integrated-transport-a-new-generation.pdf>

⁷³ <https://www.centreforcities.org/blog/improving-transport-connectivity-in-uk-cities/>

⁷⁴ <https://www.theguardian.com/environment/2023/sep/20/rishi-sunak-confirms-rollback-of-key-green-targets>

<https://www.economist.com/britain/2023/09/20/rishi-sunaks-anti-green-turn-on-britains-climate-targets>

⁷⁵ <https://www.ft.com/content/7356c5f6-aa59-44e2-82a8-6cce73d45d0e>

⁷⁶ <https://news.sky.com/story/why-thousands-of-children-with-special-educational-needs-are-missing-out-on-education-12920518>

<https://www.bbc.co.uk/news/education-64418797>

⁷⁷ <https://www.health.org.uk/news-and-comment/news/social-care-reform-must-be-a-priority-for-the-next-government-report-says>

⁷⁸ <https://www.theguardian.com/education/2023/jun/08/teachers-england-schools-figures-department-education-survey>

⁷⁹ <https://www.theaccessgroup.com/en-gb/blog/edu-which-areas-in-england-have-the-biggest-teacher-shortages/>

⁸⁰ Also evident in attitudes towards striking NHS staff <https://inews.co.uk/news/strikes-live-latest-updates-ambulance-workers-walkouts-rail-deal-2096108>

⁸¹ <https://www.ft.com/content/f251326b-3ada-47cc-b99a-25540a1117ba>

Theme	Details and sources etc.
Good Governance	
Local	Often dysfunctional relationships between central and local government ⁸² , and a prevailing funding crisis ⁸³ .
Citizenry	Fracturing of the implied social contract ⁸⁴ . Distrust about institutions, for example after the exposure of scandals such as Horizon and the Post Office ⁸⁵ and the infected blood scandal ⁸⁶ .
Inequality and Special Measures for Inclusion	
Levelling up	Eighty percent of bids fail to complete ⁸⁷ issue of Treasury consent ⁸⁸ “Bankrupt” local authorities transferring, public assets sold to private purchasers ⁸⁹ . Citizens in Birmingham take the hit with a 21% increase over two years ⁹⁰ .
Healthcare in crisis	
Mental Health	Long-standing pressures in the provision of mental health services ⁹¹ .
Treatment	Waiting list pressures ^{92 93} . Delays for treatment ⁹⁴ . Private sector benefits from NHS contracting ⁹⁵ , people switching to private care ⁹⁶ .
Staffing	Unprecedented strikes ⁹⁷ at all levels in the system ⁹⁸ .

- ⁸² <https://ukandeu.ac.uk/why-it-is-national-not-local-government-taking-the-local-public-services-gamble/>
<https://www.instituteforgovernment.org.uk/sites/default/files/2023-07/What-does-Oflog-need-to-succeed.pdf>
- ⁸³ <https://www.local.gov.uk/about/campaigns/save-local-services/save-local-services-council-pressures-explained>
- ⁸⁴ <https://www.bsa.natcen.ac.uk/latest-report/british-social-attitudes-39/introduction.aspx>
- ⁸⁵ <https://www.bbc.co.uk/news/business-56718036>
- ⁸⁶ <https://www.infectedbloodinquiry.org.uk/reports/inquiry-report>
- ⁸⁷ <https://www.ft.com/content/69a1c5ea-7110-4c1d-b477-d85b0062ba90>
- ⁸⁸ <https://reform.uk/comment/where-are-we-on-levelling-up/>
<https://committees.parliament.uk/work/6928/funding-for-levelling-up/news/194181/levelling-up-committee-writes-to-government-on-treasury-ban-on-levellingup-capital-spending/>
- ⁸⁹ <https://www.theguardian.com/society/2023/sep/21/15bn-of-public-assets-sold-by-english-councils-since-2010-amid-budget-shortfalls>
- ⁹⁰ <https://www.bbc.co.uk/news/uk-england-birmingham-68342493>
- ⁹¹ <https://www.ombudsman.org.uk/news-and-blog/news/nhs-failing-patients-mental-health-problems>
<https://www.bmj.com/content/384/bmj.q272>
- ⁹² <https://www.nuffieldtrust.org.uk/news-item/lack-of-progress-on-nhs-waiting-times-alarming-as-we-head-into-winter>
- ⁹³ <https://www.bbc.co.uk/news/health-67087906>
- ⁹⁴ <https://www.theguardian.com/society/2024/feb/08/cancer-patients-england-deadly-delays>
- ⁹⁵ <https://www.voxmarkets.co.uk/articles/one-health-sees-revenues-rise-as-nhs-battles-lengthening-waiting-lists-0c3189f/>
<https://www.hsj.co.uk/finance-and-efficiency/reliance-on-private-hospitals-being-hard-wired-into-nhs-elective-care/7035795.article>
- ⁹⁶ <https://www.telegraph.co.uk/news/2023/10/20/nhs-care-quality-commission-report-health-service/>
<https://www.telegraph.co.uk/news/2023/10/13/private-gp-appointments-triple-nhs-waiting-lists-grow/>
- ⁹⁷ <https://www.england.nhs.uk/2023/10/nhs-facing-extreme-strike-disruption-amid-three-consecutive-christmas-days/>
- ⁹⁸ <https://www.nhsconfed.org/news/nhs-confederation-responds-data-showing-impact-industrial-action-both-junior-doctors-and>

Theme	Details and sources etc.
	Recruitment ⁹⁹ and workload ¹⁰⁰ pressures, declining staff morale ¹⁰¹ , low retention levels ¹⁰² .
Infrastructure	Crumbling and inadequate buildings ¹⁰³ and inadequate investment ¹⁰⁴ lack of long-term strategy ¹⁰⁵ .
Children	Cost and demand pressures on services for children meaning that interventions take place too late ¹⁰⁶ .
Citizen Disengagement	
Distrust in politics and the media	Low levels of trust in Government ¹⁰⁷ . Expansion in misinformation ¹⁰⁸ , in Artificial Intelligence and algorithmic misinformation ¹⁰⁹ , and deepfakes in a general election year ¹¹⁰ .
Information overload	Mass of mixed messages ¹¹¹ Woke wars ¹¹² , culture wars ¹¹³ , and toxic confrontations over freedom of speech ¹¹⁴ .
Housing	

⁹⁹ <https://www.bmj.com/content/383/bmj.p2450>

¹⁰⁰ <https://nursingnotes.co.uk/news/cqc-says-health-and-care-staff-are-so-overworked-they-are-getting-ill/>

¹⁰¹ <https://www.itv.com/news/wales/2023-10-23/nhs-morale-at-an-all-time-low-says-junior-doctor-as-he-moves-to-australia>

<https://www.theargus.co.uk/news/23802237.brighton-hospital-worker-speaks-life-inside-nhs/>

<https://www.hsj.co.uk/university-hospitals-birmingham-nhs-foundation-trust/trust-staff-disrespected-and-pushed-beyond-their-capacity-review-concludes/7035640.article>

¹⁰² <https://www.nuffieldtrust.org.uk/research/waste-not-want-not-strategies-to-improve-the-supply-of-clinical-staff-to-the-nhs>

¹⁰³ <https://www.bma.org.uk/bma-media-centre/dire-condition-of-uk-healthcare-estate-laid-bare-in-bma-report>

<https://www.itv.com/news/2023-02-21/patient-safety-at-risk-from-crumbling-nhs-hospitals-in-urgent-need-of-repair>

<https://www.thetimes.co.uk/article/tories-are-building-a-generation-of-inadequate-hospitals-senior-mps-fear-wxp5cchdp>

¹⁰⁴ <https://www.nhsconfed.org/news/significant-investment-nhs-community-services-would-lead-marked-reduction-ae-footfall-and>

¹⁰⁵ <https://www.hsj.co.uk/daily-insight/the-mythbuster-is-this-the-answer-to-getting-the-nhs-to-think-long-term/7035691.article>

¹⁰⁶ <https://www.ncb.org.uk/thewellwornpath>

¹⁰⁷ <https://www.gov.uk/government/statistics/trust-in-government-uk-2022>

<https://www.theguardian.com/politics/2023/jun/24/britons-trust-in-politics-has-fallen-significantly-since-covid-report-finds>

<https://natcen.ac.uk/events/trust-trouble-how-can-we-do-democracy-differently>

¹⁰⁸ <https://www.oecd.org/coronavirus/policy-responses/transparency-communication-and-trust-the-role-of-public-communication-in-responding-to-the-wave-of-disinformation-about-the-new-coronavirus-bef7ad6e/>

https://www.ofcom.org.uk/data/assets/pdf_file/0024/165075/critical-understanding-msom-presentation.pdf

<https://digital-strategy.ec.europa.eu/en/node/1070/printable/pdf>

¹⁰⁹ <https://crestresearch.ac.uk/comment/addressing-algorithms-in-disinformation/>

¹¹⁰ <https://reutersinstitute.politics.ox.ac.uk/news/spotting-deepfakes-year-elections-how-ai-detection-tools-work-and-where-they-fail>

¹¹¹ <https://www.thenational.scot/comment/23847290.combat-information-fatigue-quality-quantity/>

<https://openaccess.city.ac.uk/id/eprint/23544/1/information%20overload%20-%20an%20overview.pdf>

¹¹² <https://www.science.org/content/article/uk-government-vow-end-woke-science-draws-rebuke-researchers>

<https://www.spectator.co.uk/article/the-tory-war-on-woke-wont-work/>

¹¹³ <https://www.kcl.ac.uk/policy-institute/research-analysis/culture-wars-in-the-uk>

¹¹⁴ <https://www.bbc.co.uk/news/education-67033191>

<https://www.standard.co.uk/comment/comment/freedom-of-speech-oxford-union-protest-b1113069.html>

Theme	Details and sources etc.
Price escalation	Housing market price escalation ¹¹⁵ affordability ¹¹⁶ high rental costs ¹¹⁷ . House purchasers taking out ultra-long mortgages that may mean repayments continuing after retirement ¹¹⁸ .
Homelessness	<i>“The homelessness crisis is at its heart a crisis of housing supply and affordability, and on both scores Britain fares the worst.”¹¹⁹</i>

FACING A COMPLEX AND FAST-CHANGING WORLD OF POLYCRISIS:
DOING BETTER WITH DATA

STANDARD DATA LIMITATIONS

Another viewpoint could highlight what is going on in the UK at present. While commentators in government, and academia are trying to grapple with things using standard data and orthodox methodologies, there are drawbacks in using them to deal with such a fast-moving and multi-faceted crisis and with the limitations in range we have been speaking about. Not the least of this is the urgent need for immediate acknowledgement at the macroscale and what needs to be done nationally and locally to confront the global environmental catastrophe that faces humanity¹²⁰.

In the major crises of the past the key issues appeared to be much simpler. Unemployment was a pernicious driver for social distress, economic solutions to tackle it made sense and the data available closely mapped onto both problems and measures for success. Market logics had a clear traction in this case. Today’s polycrisis is a more complex multi-level and nuanced one, and the economic gaze applied then looks to be out of focus. This time, as noted above, much of the here and now crisis arises from the desperate state of the public sector: transport, schools, hospitals, water, sewage disposal systems, and so on after a decade under the twin policy choices of privatisation and austerity.

However, few of the nation’s long-standing economic problems have gone away. The production and competitive trading side (‘UK plc’) is still a case for major concern and there is no intention to downplay this here. But, even in the current economic situation, there is so much more that can be done across the board that is not being effectively managed from the centre¹²¹. Levelling up is, of course, the classic case as we saw in Table 1. The argument here is for a balance in striving to improve what can be seen through standard data and what else we need to be aware of – particularly for those local places and contexts with a need to move quickly to direct action, and where the data being used may not be telling what is needed to be effective for the current context.

¹¹⁵ <https://www.bankrate.com/real-estate/is-the-housing-market-about-to-crash/>

¹¹⁶ <https://www.forbes.com/advisor/mortgages/real-estate/housing-market-predictions/>
<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffordabilityengland/2022>

¹¹⁷ <https://www.ft.com/content/d0ce8049-a6db-4765-9e93-dee98910bfe1>

¹¹⁸ <https://www.theguardian.com/money/article/2024/may/13/rise-in-ultra-long-mortgages-poses-risk-to-uk-retirement-prospects>

¹¹⁹ <https://www.ft.com/content/24117a03-37c2-424a-97ed-6a5292f9e92e>

¹²⁰ <https://www.weforum.org/press/2024/01/wef24-climate-crisis-health/>
<https://press.un.org/en/2023/sgsm22031.doc.htm>

¹²¹ The NAO suggests that up to £20Billion a year could be saved by better attention to Governance – “modernising IT systems, tackling fraud and getting a grip on failing mega-projects such as the HS2 rail line”, through better management.
<https://www.ft.com/content/778af0b1-f93c-4b78-b980-0cf6da9be6f0>

A clear example of this surrounds the basis for measures to deal with issues of local deprivation. The index of multiple deprivation (IMD) 2019 is the standard series for looking at how people living with multiple social and economic issues are distributed locally across the nation. It is heavily cited and used in justifying claims for funding and intervention in the nation's poorest places.

Most significantly, this is the latest data we have on the subject. Acknowledging this, the supporting documentation for the series is quite clear that, "*as far as is possible, each indicator is based on data from the most recent time point available. For the Income Deprivation domain and the Employment Deprivation domain in the IMD2019, the data relates to the tax year 2015/16*"¹²². So, there is some distance from *current* data about the more serious conditions in 2024. (These are, however, being widely reported in quantitative and qualitative research by academics, think-tanks and charities in report form)

There is a further cause for concern about the maps through which the IMD material is normally presented. Drawn from survey and sample information, constraints for reporting arise from issues of disclosure and confidentiality. This limits the degree of map *granularity* needed to see the processes at "ground" level in detail.¹²³ Two other issues also play into the shaded area (choropleth) mapping. Both argue for interpretative caution - the 'modifiable area unit problem'¹²⁴ and the 'ecological fallacy'¹²⁵. It could deflect us to deal with them here, but the point is that often the best standard data series we have are highly limiting in ways that matter when conditions on the ground are fast changing and complex.

DEALING WITH STRUCTURAL ECONOMIC CHANGE

A more general issue is when the challenges needing intervention are *not in the sphere of production*. Here, not everything is easy to count, and standard data of the right kind are more difficult to come by and interpret. Over recent decades, the UK economy has shifted from a production to a service base¹²⁶ and traditional sectoral logics are less appropriate. The labour market has also shifted dramatically in its form¹²⁷, for example with people working on several part-time jobs, working in the Gig economy as self-employed or zero hours employees¹²⁸. Many are also entitled to in-work benefit. Change is often fast moving and hard to capture in cross-sectional series.

Employed versus unemployed does not have the same analytical value as in the past. Service sector jobs in particular are much more flexible and harder to pin down in a formal census style. The use of FTE (full time equivalent) employment nowadays hides a highly complex current work process.

Similarly, business size can be problematic as a meaningful descriptor. Some very small businesses in the Tech sector can today have huge global markets and enormous balance sheets. Defining "small" by the number of employees may be seriously misleading under the conditions that the new technologies open up. At the other end of the spectrum, the number of people registering as sole trading and self-employed has also increased for a complex variety of reasons.

¹²² https://assets.publishing.service.gov.uk/media/5dfb3d7ce5274a3432700cf3/loD2019_FAQ_v4.pdf

¹²³ This was revealed during the Covid-19 crisis when government maps were insufficiently sensitive to the detail of important place variations for a fast-spreading virus. For the mapping issues see section 6.5 p.128 onwards in our history of the pandemic <https://www.peter-lloyd.co.uk/app/download/5811769967/Lloyd+and+Blakemore+Covid-19+Book+v27.pdf>

¹²⁴ <https://www.sciencedirect.com/topics/earth-and-planetary-sciences/modifiable-areal-unit-problem>

¹²⁵ <https://www.britannica.com/science/ecological-fallacy>

¹²⁶ <https://commonslibrary.parliament.uk/research-briefings/cbp-8353/>

¹²⁷ <https://www.ft.com/content/f862bc86-76ba-4d2e-9d5f-1f72934eb171>

¹²⁸ <https://www.tuc.org.uk/research-analysis/reports/insecure-work-2023>

THE PUBLIC SECTOR MISSES OPPORTUNITIES

As Table One shows, the most pressing issues come from the cost pressures on local government and the fragmentation of the public service realm. Much of it is privatised and therefore with a combination of ‘commercial in confidence’ implications for data and problems of timeliness (and perhaps response rates to key surveys like the Labour Force Survey¹²⁹). It is in the operations of public service providers – both statutory and private - that many of the most widely felt *actually experienced* problems are being experienced.

Data for the public sector has become more difficult than ever to assemble and allocate within standard data series. Knowing where hospitals and schools are located, how many workers they employ, how many patients and pupils they have, and their financial status have value. However, it is how they work or fail on a day-to-day basis as they perform the tasks assigned to them that is the real story we want to have better scalable data about.

The organisations involved in today’s public service sector are enormous collectors of digital data (hence the numerous stories of expensive computer systems that failed to deliver fully¹³⁰) so quantity is not where the problem lies. Methodologies and systems for capturing and deploying the data for public information and for research purposes are the issue.

Although significant volumes of data exist, their usefulness often cannot be divorced from being hidden by personal data protection issues, or by variety in data systems practice amongst those who run the institutions and businesses¹³¹. Much of the data is ‘subjective’ by nature but still potentially valuable. In methodological terms it lies in the qualitative sphere of data analysis¹³². Most visibly, it comes from operational activities and reviews, regulatory body reports and topical surveys.

The very place where the people should have a right to know what is going on is one where anecdote, leak¹³³, and politicised story are often the best that can be achieved. There is no suggestion here that opening this up is easy, but as noted below, there is the technology capable of helping even with this, although risks relating to privacy, confidentiality, and de-identifying anonymised¹³⁴ data are still challenging.

Across the board, then, the realities of life are moving in ways that make traditional data collection increasingly challenging¹³⁵. This should foreground a need to look more widely at what is possible on the data front and, in particular, how to make use of the most recent technological breakthroughs to re-envision the means through which we see and learn about the world. We do acknowledge the developments such as the ONS Data Science Campus¹³⁶, but change in statistical systems is much slower than reality. To move toward this better optic, relevant data (not just solely of the orthodox kind) has to become more capturable and analysable for public benefit - things like queues, waiting

¹²⁹ <https://commonslibrary.parliament.uk/has-labour-market-data-become-less-reliable/>

¹³⁰ <https://www.bmj.com/content/bmj/379/bmj-2022-073166.full.pdf>

¹³¹ The Post Office Fujitsu saga tells us just how difficult ensuring accountability is when commercial and public corporations come together – even basic information is challenging to acquire let alone anything called data.

¹³² A recent LSE book discusses this under the heading of “methodological pragmatism”. See. Gillespie A et al (2024) *Pragmatism and Methodology*, Cambridge University Press, <https://doi.org/10.1017/9781009031066>

¹³³ Not the least being whistleblowing <https://lowdownnhs.info/accountability/whistleblowing-in-the-nhs/>

¹³⁴ ONS has a formal methodology to test the potential for de-identification.

<https://www.ons.gov.uk/methodology/methodologytopicsandstatisticalconcepts/disclosurecontrol/guidanceonintrudertesting>

¹³⁵ And for many years the logic of a 10-yearly population census has been challenged

<https://www.theguardian.com/politics/2002/may/28/socialsciences.highereducation> – it has been every 10 years (with some interruptions) since 1801, but the demographics and the economy looks very different from 220 years ago.

¹³⁶ <https://www.ons.gov.uk/aboutus/whatwedo/datasciencecampus>

<https://www.ons.gov.uk/aboutus/whatwedo/programmesandprojects/theonsbigdataproject>

times, underserved clients, maintenance issues - and alongside this introduced into governance systems for accountability.

Much of what is to be found in this case takes the form of stories that, up to this point, have not been digitally capturable or respected in the same way as 'hard data'. There is a need to know more but at the same time know differently. The digital transformation is rapidly changing the parameters of what and how things are seen and at the same time continues transforming the basics of work, employment, wellbeing, leisure, travel, media content and much more besides. How society engages with this will, of course, very much depend on 'in whose interests' things like this are actually carried out.

A CAVEAT: RENDERING UNTO CAESAR...

It is important to avoid being naïve and making grand pronouncements about changing the policy data landscape. The UK still has to present itself and its credentials to the wider world of global economics and to the international financial marketplace. The more traditional logics and accepted Neoliberal Capitalism indicators configure the international financial markets in which the nation has to operate. The key economic metrics that drive the finance markets, and on which the entire data reporting system is based, are ones that describe nation state risk profiles for access to finance capital in the global money (bonds, currency) markets. External forces can still make the world of international finance potentially volatile rendering the need for the UK to 'play the game' even more important¹³⁷.

As recently discovered with the Truss debacle¹³⁸, even using the wrong language and failing to understand the speed with which, these days, the markets can react, can have devastating consequences for the fortunes of the nation¹³⁹. There is no suggestion here that the UK should not continue to produce its established economic indicators and play a well-regarded role in the international money marketplace. It is vitally important to continue to be good at this, while at the same time being much more sophisticated in using the data, to understand more and to abandon the obsession that recourse to market disciplines alone will be good enough to see us through.

SEEING MORE, BELIEVING LESS

By virtue of volume and diversity of digital information, the world has been opened up to real time opportunities to see in great detail what is going on. Information in useable form is accessible through 24/7 news, along with real-time information from the global to the local.¹⁴⁰ High volumes of information can, inevitably, lead to both anxiety and overload¹⁴¹ with a tendency perhaps to generate dissociation and avoidance. Along with this is an increasing awareness that what we get to see may

¹³⁷ <https://www.ft.com/content/cd393433-6088-48ff-981f-ee5eb516a64b>

¹³⁸ <https://www.psa.ac.uk/psa/news/liz-truss-resigns-prime-minister-five-causes-her-downfall-explained>

¹³⁹ With the data being used with other information by ratings agencies such as Moody's to grade countries <https://www.moodys.com/researchandratings/country/home> and whose ratings revision after the Truss mini-budget has a massive impact on UK finances <https://www.bbc.co.uk/news/business-67175072>

¹⁴⁰ For example, the human and environmental impact of shipbreaking at Chittagong can be brought to light globally <https://www.theguardian.com/global-development/2020/jan/31/khalid-mollah-life-was-typical-the-deadly-ship-graveyards-of-bangladesh>

¹⁴¹ <https://openaccess.city.ac.uk/id/eprint/23544/1/information%20overload%20-%20an%20overview.pdf>

be manipulated by those who provide it bringing inevitable questions about what can be trusted and whose voices are the most objective and authoritative^{142 143}.

The speed and penetration of the new information technologies into people's personal and social lives is breathtaking. Personal data can be stored on the cloud, processed and retrieved instantly from text, voice, image and video and then be merged with other data streams to create entirely new data resources¹⁴⁴. This can be positive in facilitating new perspectives, but the threats are also potentially enormous, particularly when a small number of mega corporations, individuals and even states dominate the commanding heights of the digital economy¹⁴⁵. At the same time there are concerns about security (for example, with 'cyberwar' being attempts by nation states to disrupt the data environments of others¹⁴⁶) going forward.

There exist conceptual and technical capabilities today that the designers of the Treasury model in the 1970s could not have imagined in their wildest dreams. Yet policy makers still cling on to the comforts of a view that sees the only route to solving the problems of decades of Neoliberalism is to 'do better at it', while downplaying the way the values it depends upon can negatively impact people and planet.

This is too big a question and this paper is not offering a political treatise – just a different look through the window of data and information (Quinn Slobodian, in his book *Globalists* looks at the history of the hegemonic neoliberal idea¹⁴⁷). What follows is limited to questions of seeing more and valuing differently than is done currently, as an invitation to open the door to debate about what the evolving digital and information revolution can offer. We are (like most) at the 'early learner' stage in trying to grasp what is happening so fast particularly relating to AGI (Artificial General Intelligence¹⁴⁸).

A FAST-MOVING DIGITAL TRANSFORMATION

THE AI PHENOMENON

A critical question is whether should there be a fundamental change in how we look at the kind of data we have been talking about in this paper, by shifting the narrative to focus on it as a collective good over and above being a state or private asset¹⁴⁹. Perhaps there is an opportunity to build solutions at scale from the ground-up, reshaping more of the data as a common good assembled upwards rather than collected centrally in ways that reinforce the position of top-down power structures. Artificial Intelligence (AI) and 'big data' (a term frequently used 2-3 years ago and not so much now as discourses change) may empower the local, thereby reversing the currently dominant

¹⁴² With significant concerns about the use of AI in propaganda relation to the 2024 general election in the UK. <https://reutersinstitute.politics.ox.ac.uk/news/how-ai-generated-disinformation-might-impact-years-elections-and-how-journalists-should-report>

¹⁴³ As Gillian Tett warns of research in the USA: "*striking ethnographic research by Jigsaw, a branch of Alphabet, and others suggests that young people now trust their peers for advice in most spheres of life, valuing them more than doctors for medical information, say. Indeed, AI bots are increasingly trusted more than human authority figures, because of the love for customisation and peer advice. Yes, really*".

<https://www.ft.com/content/658f8856-6a8a-434e-8559-c039fae2d79a>

¹⁴⁴ <https://www.statista.com/statistics/871513/worldwide-data-created/> <https://explodingtopics.com/blog/data-generated-per-day>

¹⁴⁵ <https://www.un.org/en/desa/economic-properties-data-and-monopolistic-tendencies-data-economy-policies-limit> <https://arxiv.org/pdf/2307.08049>

¹⁴⁶ <https://www.ncsc.gov.uk/news/china-state-affiliated-actors-target-uk-democratic-institutions-parliamentarians>

¹⁴⁷ Slobodian Q (2023) *Globalists: The End of Empire and the Birth of Neoliberalism*, Cambridge, MA: Harvard University Press, April.

¹⁴⁸ <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-artificial-general-intelligence-agi>

¹⁴⁹ <https://www.irf.org.uk/ai-for-public-good/ai-and-the-power-of-narratives>

model – it can help local civil society to be a key player in seeing grounded issues and leading positive change. In data governance terms entirely new possibilities are there to be grasped¹⁵⁰. Key questions lie at the interface between data and governance.

This leads to AI and its complex, multi-faceted components¹⁵¹. Defined broadly as intelligent systems that can mimic human behaviour and decision-making processes, its scope is broad and fast expanding. Integral to it are the algorithms essential for analysis and for having machines learn and generalise from information to perform tasks without explicit instructions (ML). Natural language processing (NLP) is an essential element of this where machines can manipulate human language, or data that resembles human language in the way that it is written, spoken, and organised. A key part of the AI process comes in the form of large language models (LLMs)¹⁵² that are trained on enormous amounts of data to provide “foundational” capabilities. This learning at scale provides the capability needed to work across multiple use cases and applications with the scope to answer questions across a multitude of different tasks. All this falls under the broad heading of artificial general intelligence, Generative AI or AGI. This potentially includes the construction of systems that one day will be as smart as humans. The aim here can be no more than to introduce the terminology as a way to put the discussion of the data series from the first section of the paper into a contemporary perspective.

The potentially game changing process of adopting AI and big data resources is underway. In the last two decades the possibilities for knowledge acquisition and analysis in all forms has been focused on the creation of *private value*. New players have come in to challenge the old order of things, with Elon Musk now claiming, for example, that the social network X is “*the number one source of news in the world*”¹⁵³. The “Big Five”¹⁵⁴ and the Tech Billionaires¹⁵⁵ are already able to use the opportunities from the digital and communications revolution to create monopolistic power and enormous personal and corporate commercial gain (by this we mean that although many of the ‘unicorns’ have yet to be consistently profitable, their market ‘valuation’ leads to huge profits from shareholding).

Huge fortunes have been made at a time of slow economic growth, expanding inequality and increased life challenges for the bulk of the population. The world has, then, already been transformed through the increased power of data. For the most part, this has worked to promote the interests of those individuals, businesses and nations that already have the greatest access to capital and the highest ability to handle the technology and mobilise it to serve their commercial and political requirements.

AI FOR PUBLIC PURPOSE

By contrast to the private sphere, the opportunities arising from AI are still only just emerging in the public realm. For a national statistics agency there is now an imperative (and the available technology) to harness vast amounts of textual data and metadata to supplement existing resources¹⁵⁶. This can

¹⁵⁰ However, try putting “how should the UK government reform public finance?” into ChatGPT or other generative AI and the response is quite articulate, but is also very much along the lines of liberal capitalism since that is probably the bulk of information used to ‘train’ the AI system.

¹⁵¹ AI has a long background but a remarkable fast acceleration in recent years: <https://www.bbc.co.uk/teach/teach/ai-15-key-moments-in-the-story-of-artificial-intelligence/zh77cqt> <https://ourworldindata.org/brief-history-of-ai>

¹⁵² <https://www.ibm.com/topics/large-language-models>

¹⁵³ <https://twitter.com/FortuneMagazine/status/1770299256806543400>

¹⁵⁴ Also known as “big tech” – Google, Amazon, Apple, Meta, Microsoft - <https://www.statista.com/topics/4213/google-apple-facebook-amazon-and-microsoft-gafam/>

¹⁵⁵ <https://www.forbes.com.au/news/billionaires/the-top-5-richest-tech-billionaires-2024/>

¹⁵⁶ Metadata is commonly described as “data about data”. Too vague a definition to be useful. It is structured information that describes, explains, locates, or otherwise makes it easier to retrieve, use, or manage an information resource. It is data constructed to help data to be more useful and retrievable, to do more things with it, and give it greater utility.

bring a different scope and range of insight to data-driven research and decision making¹⁵⁷. To achieve this, however, greater ‘methodological pragmatism’ will be needed¹⁵⁸. Methods of analysis have also to become more open and creative.

In the wider public context, the potential to apply digital techniques of data-mining and algorithmic analysis to big data through LLMs makes it much more than just another tool to understand the world better. By making use of the range of these new AI tools, policymaking can begin to engage with that complex, dynamic world that we have been talking about throughout the paper. There is, for example, an opportunity to *assemble at scale* the data, knowledge and stories embedded in those thousands of papers, reports and news stories that form the body of material we had to skim to create Table 1. Interrogated as a pool of ‘big data’- with due safeguards – it could be feasible to obtain a closer understanding of the reality of the moment.

Analysable big data with this scale, scope and sophistication can, also, of course have a considerable impact on politics and political economy in general. It can be a means to contest the established power of liberal statistical tools to restrict society within its own ideological view. But it can also, of course, provide a platform for new forms of power and control¹⁵⁹. The very future of democracy¹⁶⁰, for good or ill may even hang on how and in whose interests the digital transformation in all its forms is enabled to go forward.

As yet, it is only in particular applications that AI is having its greatest impact, but the future is still to be determined as we stand on the cusp of a ground-breaking data-information revolution. Power is already being reallocated, and the arbiters¹⁶¹ of the digital information economy (the Big Five, the Techno-Billionaires and the Media Magnates) and their financial backers sit at the apex of the newly emerging system with huge influence.

QUESTIONS FOR CONTEMPORARY POLITICS AND GOVERNANCE

POLYCRISIS, DISCORD AND THE POPULIST REVIVAL

The digital landscape provides, then, more instantly accessible, complex, and wide-ranging information than ever before. Social interaction has also been transformed by digital technologies and social media has opened the world to a wider pool of knowledge and much greater variety in views and opinions. The old identities consistent with class positioning in relation to work and ownership of the means of production have given way to things like wokeism¹⁶² and a rich variety of alternative identity politics¹⁶³. Social media can confuse as well as enlighten us.

Consequently, the door is more than ever open to great simplifiers and media influencers of all kinds. People can now make their choices across a wide array of categories to belong to, and belief systems about what must be done. Confusion and anxiety creates a fertile underlying seedbed for the rise of the political right and the paradoxical outcome is that society is finding itself more open to those

¹⁵⁷ <https://op.europa.eu/en/publication-detail/-/publication/f4a703b3-ea60-11ee-bf53-01aa75ed71a1/language-en>

¹⁵⁸ See. Gillespie A et al (2024) Pragmatism and Methodology, Cambridge University Press, <https://doi.org/10.1017/9781009031066>

¹⁵⁹ <https://committees.parliament.uk/committee/111/national-security-strategy-joint-committee/news/201621/big-tech-and-social-media-companies-falling-short-ahead-of-uk-general-election/>

¹⁶⁰ <https://www.ft.com/content/077e28d8-3e3b-4aa7-a155-2205c11e826f>

¹⁶¹ https://en.wikipedia.org/wiki/Big_Tech

¹⁶² https://www.oed.com/dictionary/wokeism_n?tl=true

¹⁶³ <https://ppr.lse.ac.uk/articles/10.31389/lseppr.1>

voices that claim to be able to inform people *in simple terms* what they need to know and how they should navigate such a complicated world.

Populism¹⁶⁴ is increasingly on the rise in the sphere of global and national politics, with examples of crudely simplistic sloganistic solutions to the nation's ills (in the UK from "Get Brexit done" to "Stop the Boats" etc.). We looked at this in our previous paper. Once again there is an emphasis on the 'in whose interests' question, not least about routes to money and power, at a time when the early adopters of the new technologies are already very much in play in constructing a new power hierarchy.

With all this going on, a central policy discourse led by HM Treasury, and based on abstract models of a largely economic nature, has come to look distant and esoteric. Privatisation as the means to shrink the state and its costs has not proven to be the success promised for it. Brexit with its messages of economic growth through independence has been shown up as just another 'influencer' project.

The disconnect between the language of macroeconomics that Ministers are scripted to use, and detailed, context-laden, stories about extremes of inequality, child poverty and the climate emergency that comes from well informed media interviewers, is all too obvious¹⁶⁵. A new view of who we are and what we are about as a people and a nation is currently in the process of emerging - a process the outcome of which is at this point indeterminate.

MOVING FROM "LEAVE IT TO THE MARKET" TO CREATIVE FLEXIBILITY IN GOVERNANCE

The Chancellor in the 2024 Spring Statement noted that "*inflation is the greatest single problem we currently face*", and that economic growth is the answer. But as Table One showed, the stepwise approach of first achieving growth and only then turning to fix the social, environmental and public service issues of the day is not convincingly workable. Being fiscally responsible is clearly not all there is to managing a multi-faceted national crisis of the kind that actually confronts citizens. Many of the cumulative and circular causalities being faced across health, education and the utilities and infrastructure sectors bear heavily on the nation's ability to grow and compete as well as blighting the lived experience of large numbers of people. The binary distinction between public and private is an unhelpful one.

The economic gaze of the last four decades significantly influences the how the world is seen, and as we have shown, the data assembled to read it. The system of government and governance is matched to this through the same ideology and a top-down centralised and hierarchical system. That system is increasingly out of tune with a world where new technologies are opening up other ways of operating and where 'creative flexibility' is going to have more going for it than regulation and accountability. When it comes to events outside the scope of the accepted form of what is normal in liberal capitalist governance, there often are not (as the UK Covid-19 Enquiry¹⁶⁶ confirmed spectacularly) systems fit for purpose.

For more than two decades in a new technological era there have been dysfunctions in a highly centralised, silo-structured system of government for coping with the complex, multi-layered and highly connected world. Over that same period, those institutions that grew up to understand and

¹⁶⁴ <https://www.lse.ac.uk/ideas/Assets/Documents/updates/LSE-IDEAS-Understanding-Global-Rise-of-Populism.pdf> but also note <https://theconversation.com/the-word-populism-is-a-gift-to-the-far-right-four-reasons-why-we-should-stop-using-it-224488>

¹⁶⁵ Something starkly evident in the interview between the Prime Minister and the presenters of the TV programme 'Loose Women' in May 2024. <https://uk.news.yahoo.com/rishi-sunak-loose-women-interview-itv-140529629.html>

¹⁶⁶ <https://covid19.public-inquiry.uk/>

serve local need have been starved of funds and subjected to rules decreed at the centre in the pursuit of growth in GDP and pre-set fiscal rules.

There is a need to be more realistic about what a long-established ideological fix might be doing. A fast-changing context where new kinds of crises become more frequent and existing ones more severe, needs a greater awareness of what is not being measured, and what else is needed. A classic example concerns the habitability of the planet and the ecosystems required to sustain life, but this is not yet even close to the forefront of data gathering and policy modelling at national level¹⁶⁷, especially when it may have a potentially perverse relationship with the dominant macroeconomic drive to achieve growth in GDP.

There is no inevitable fiscal overhead to working harder to make the data system more effective. The market forces approach has almost run its course. It requires a recognition of the problems and a comprehensive effort to re-imagine what is going to work better for the nation under the circumstances to be faced now and in the imaginable future. If this is not done, there is a risk that the degree of disconnect between what people see and experience in their lives, and the parameters of the dominant Neoliberal model by which government steer the economy, will become so extreme as to dangerously undermine trust in the process of governance and promote populist oversimplification¹⁶⁸.

By and large, up to this point, people (the electorate) have been accepting of the idea that fixing the economy will be the key to a better future and that tackling inequality and environmental crisis concerns can follow. With the current level of knowledge about the state of things, they now have a clear right to question whether this is feasible. As we live through a time of unprecedented change redolent with greater opportunities and greater threats where things are moving faster and becoming more complex, the solutions need much more variety in responses¹⁶⁹. The current time-expired market, and small state rationale, is coming under huge pressure and society needs to respond. Solving the problems of the last crisis will simply not be good enough.

CONCLUSION

The starting position in the paper has been that abstract economic models still have their practical place, but that they have occupied a hegemonic position for too long. The underlying Neoliberal order they serve has been running into difficulty since the crisis of 2008. The austerity that followed, spawned by a particular political reading of what the macroeconomics demanded, has been and continues to be deeply damaging. The process of Neoliberalisation has achieved deep penetration over decades but, in the end, it has *failed to generate the surplus* necessary to maintain key public infrastructures and services¹⁷⁰, to ameliorate extreme social inequalities and, above all, to engage with the implications of a finite planetary ecosystem.

The pandemic and Brexit had an effect, but the economic growth (as GDP) that is seen as the prior condition for beginning seriously to tackle key issues seems as elusive as ever, especially when the

¹⁶⁷ World's top climate scientists expect global heating to blast past 1.5C target.

<https://www.theguardian.com/environment/article/2024/may/08/world-scientists-climate-failure-survey-global-temperature>

¹⁶⁸ Joseph Stiglitz's recent book "Road to Freedom" offers the latest warning about this. See.

<https://www.theguardian.com/books/article/2024/may/08/the-road-to-freedom-by-joseph-stiglitz-review-against-hayek> .

¹⁶⁹ This is not the place to introduce W Ross Ashby's "Law of Requisite Variety" (see [https://en.wikipedia.org/w/index.php?title=Variety_\(cybernetics\)&oldid=1158873022](https://en.wikipedia.org/w/index.php?title=Variety_(cybernetics)&oldid=1158873022)) but the central idea is vital.

¹⁷⁰ Perhaps with significant exceptions such as the Sovereign Wealth Fund of Norway <https://www.nbim.no/en/>

first line remedy lies in tax cuts. A major current concern is that social cohesion is in decline and there is a general sense of disenchantment and anxiety. Populism thrives on such roots¹⁷¹. History is powerful teacher here to avoid opening the door to those potentially malign forces that Polanyi advised so as to avoid a version what happened in the build up to the Second World War¹⁷².

The impact of the digital society penetrates jobs, livelihoods, attitudes, behaviours, social norms. It has already thrown many of the old certainties into chaos. New economic basics are emerging in how the economy functions: the possibility of surplus workers, a growing share of older people, an already extreme level of monopoly and, as Varoufakis sees it, a new era of *Techno Feudalism* is a possibility¹⁷³. Certainly there will be a climate in distress. Claims for wealth redistribution are an inevitable consequence and history tell us that social and political forces can arise from this that are hard to control and potentially lethal.

On the positive side of the account, there is access to a vast array of new digital tools and the potential to see much more and to bring events in context into the models for designing and delivering policy. What is mainly missing at present is some grasp of the complex dynamics of things, and the interconnections and interactions that are embedded invisibly in the macroeconomic view. Cumulative and circular causalities and things like 'local vortices' are rendered invisible in abstract models at the macroeconomic scale. Through Large Language Models and the various forms of AI there is the means to systematically recover and analyse the stories that describe events in place, time, connection and sequence. With this, the models can be improved in their own terms and the distance between them and lived experience reduced. Methodological pragmatism is an urgent requirement.

Requisite variety demands more variety in the controlling systems needed for complex systems. Top down, hierarchical systems of governance are about power and accountability not the ability to grasp and steer complex dynamic events. Technically the new technologies will make it more possible in policy management terms to invert the pyramid to a greater degree, by giving more weight to the grounded and the local. On this basis, new opportunities can be opened across the sphere of governance that break us away from the top-down, segmented and siloed system that lacks the variety and flexibility to deal with the world that is fast unfolding as old systems give way to a new order still in the process of becoming.

These are dangerous times. The habitability of the planet and the ecosystems required to sustain life on it is a threat for today not for some economically healthier tomorrow. Similarly, with the rise of extreme and rising inequality, social and political stability could be threatened as it was in the 20th Century by challenges with far reaching consequences in a nuclear world. The absence of these two key policy domains as critical, data informed, centres of direct government understanding, and concern is a system failure. Hoping for the best and waiting for trickle-down will not do.

¹⁷¹ For example <https://www.economist.com/briefing/2024/05/16/americas-democratic-system-is-not-as-robust-as-it-seems>

¹⁷² See, Holmes C, (2012) "Ignorance, denial, internalisation and transcendence: A post-structural perspective on Polanyi's double movement", *Review of International Studies*, June 2012

¹⁷³ Varoufakis, Y (2023), "Technofeudalism – *What Killed Capitalism*", Bodley Head, ISBN: 9781847927279