

# What The Failure Of Liz Truss's Economic Agenda In The UK Can Teach The U.S.



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Americans, relieved that they were rid of Donald Trump and his incessant scandals, looked gleefully to their neighbors across the Atlantic as British Prime Minister Liz Truss resigned after a mere [45 days in office](#). Truss had the shortest term of any British prime minister in history, disgraced by the consequences of her own economic prescriptions. There is a lesson to be learned from Truss's rise and rapid downfall that applies to the United States, a nation beset by similar economic troubles but with a very different governmental structure.

The main takeaway from Truss's downfall is that tackling inflation by rewarding the rich is a fool's errand. Fashioning herself after [Margaret Thatcher](#), the godmother of conservative capitalism, Truss had hoped to join the ranks of former prime ministers [Tony Blair](#) and [David Cameron](#) as a champion of "trickle-down" policies.

A central idea favored by Thatcherites—one that may sound familiar to Americans—is that when ordinary people are struggling, leaders must ensure the rich get richer so that the crumbs of their excesses will trickle down to the poor. Going hand in hand with this is the aggressive deregulation of industries to free them from the fetters of any protective measures that could impact profit

margins.

Here in the U.S., President Ronald Reagan promoted this ludicrous concept in the 1980s as perhaps the grandest gift of all time, overseeing massive tax cuts for the wealthiest Americans and an [aggressive deregulatory agenda](#). According to the [Center for American Progress](#), when “Reagan took office in 1981, the marginal tax rate for the highest income bracket was 70 percent, but that fell to just 28 percent by the time he left office.”

In spite of [decades of evidence](#) that trickle-down economics doesn't work, Republicans, when in control of the U.S. Congress and the presidency, have aggressively pushed through the same policies. Recall the [2017 tax reform bill](#) forced through the legislative process by then-Senate Majority Leader Mitch McConnell and signed into law by Trump. That bill continued what Reagan started by infusing cash at the very top in the form of tax cuts. It too, like its predecessors, [failed](#).

Truss repackaged this same gift in the UK, with critics coining a new moniker for it: [Trussonomics](#). Influenced by [right-wing think tanks](#) such as the Adam Smith Institute and the Institute of Economic Affairs, she pushed a “[mini-budget](#)” centered on major tax cuts for the wealthiest in Britain with no plan on how to compensate for the loss in revenues.

The Guardian's economics correspondent Richard Partington [explained](#) that this triggered “a run on sterling, gilt market freefall and spooked global investors. Even the International Monetary Fund (IMF) intervened with a stunning public rebuke.” The British pound plummeted in value, and the Bank of England was forced to intervene by buying up bonds and raising interest rates. Eventually, members of Parliament began expressing enough loss of confidence in the new prime minister that Truss was forced to resign just over six weeks into her tenure.

Since the 1980s, both Republican and Democratic presidents in the U.S. embraced “Reaganomics,” in spite of critics repeatedly calling out the lunacy of enriching the wealthy to address poverty. By the time Joe Biden took office in January 2021, there was so much damage done that the new president felt moved to [articulate](#) that trickle-down economics doesn't work. Biden repeated his criticisms as Truss took office, saying on [Twitter](#) in September 2022, “I am sick and tired of trickle-down economics. It has never worked.”

But talk is cheap, and another major lesson for Americans is that while it's easy to find relief in our more stable system of government in which presidential elections are prescribed every four years, Britain's less stable parliamentary system is far more responsive to popular will.

The best example of this—one that stands in stark contrast to the U.S.—is Britain's [National Health Service](#) (NHS), a free, government-funded universal health care system that is the envy of Americans. In 1948, [Aneurin Bevan](#), Britain's then-health secretary, promoted the idea of a health care system that would serve all people. According to historian [Anthony Broxton](#), Bevan pushed a parliamentary vote on the bill that would create the NHS, asking, "Why should the people wait any longer?"

Americans have waited and waited for a similar health care system. We are still waiting. A [New York Times analysis](#) explained how health care spending in the U.S. began getting out of control at the precise time when Reagan-era deregulation began. Decades of attempts to install a universal, government-funded free health care system in the U.S. have [failed](#).

In an MSNBC op-ed, [Nayyera Haq](#) wrote, "in the nearly 250 years since the founding of the United States, American government has not followed Britain's path of providing a universal health care system or welfare programs for the majority of the population." Haq concluded, "The elevation of status quo over popular will has all but frozen the ability to respond to that will, weakening the American system far more than Truss' tenure will destabilize Britain."

While Americans can't very well switch our government system into a parliamentary one, we do have midterm elections in just a few weeks. It turns out trickle-down economics is indeed on the ballot, and Republicans are using every means at their disposal to ensure its win.

The GOP has rigged elections in its favor via a [cunning combination](#) of gerrymandered districts, voting laws that thwart likely Democratic voters, and legislative control at the state level where electoral rules are decided. In Florida, Republican governor Ron DeSantis has embraced antidemocratic tactics to such an extent that he created a [police force to arrest](#) largely Black (and therefore likely-to-be-Democratic) voters who he claims are casting ballots illegally. In other words, Republicans have engineered a system of minority rule bordering on

fascism.

Blowing wind into their sails is the corporate media, [insisting](#) that worries over inflation could help Republicans win majorities in both houses of Congress—in spite of decades of evidence that the GOP has a [record of economic failures](#). It has become a central Republican talking point to inflate—pun intended—worries about rising prices, [blame Democrats for inflation](#), and make the case for their own electoral victories. Economist [Dean Baker](#) criticized the media for “hyping inflation pretty much non-stop for the last year and a half.”

While [polls](#) show that relentless coverage of inflation has moved voters toward Republican candidates, few outlets are asking questions about the GOP’s plan to tackle inflation. House Republican leader Kevin McCarthy has [published a rosy plan](#), very thin on specifics, to fix the nation’s economic woes if his party wins majorities. A [one-page description](#) of his plan includes a vague prescription to “bring stability to the economy through pro-growth tax and deregulatory policies.”

In other words, Republicans are yet again promising to deliver a wolf in sheep’s clothing. Call it Reaganomics, Thatcherism, or Trussonomics, trickle-down economics is the great lie that has failed time and again. If Truss’s spectacular fall should teach Americans anything, it is that it will fail again. Unlike the Brits, we’re likely to be stuck with the ill effects of such failure for a lot longer.

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