

Neither flood nor drought please, just a steady flow wh...

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I was on Radio 5 last night seeking to describe why the IMF and others can say at the same time that some states should be putting austerity measures whilst others (such as the UK) should be turning on the taps of public spending.

A metaphor occurred to me which no doubt I will use some time, but which I'll note down now lest I forget.

Until 2008 it was as if the economies of Europe were flooding: cash flowed like every tap was open and we were awash in debt based money. The trouble was we came close to drowning.

From 2010 onwards almost every tap has been turned off. What was a flood has turned into what's a trickle at best. We're suffering a drought of cash. The trouble is we're now close to dehydration.

What we now need is for those states that have reservoirs they can call on - like Germany, the US and UK who can all borrow right now at what are in effect negative rates of interest - to turn the taps on a bit not so that we have a flood, but to at least put enough in the rivers to prevent drought.

Either / or is what we've had and it's been a disaster.

What we need is a little economic maturity to realise that it's not paradoxical but is in fact entirely logical that different countries may have different economic policies all at the same time because those differences suit their circumstances.

I know that doesn't work on the neoliberal blackboard which has dictated both the flood and the drought. But that's why we need courageous politicians able to make big decisions or themselves on what they need to do in the best interests of us.

The real crisis is the shortage of supply of such people.