

Being out of recession is good news. The fact it's goin...

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There's some consensus around the fact that the UK is likely to be out of recession when GDP data is announced today.

That's good news.

The bad news is that, without a doubt this had much to do with the Olympics, as, maybe, do temporarily declining unemployment figures.

Now that's not bad per se: what that proves is that government spending can stimulate the economy without detrimental consequences. No, it's bad because the Olympics is over and there's not only nothing to replace it and there are massive further cuts in progress.

The bad news is that now we've learned that in practice government spending can stop recession and the IMF has confirmed that the theory of this accords with what we can see in practice the government has not learned the lesson and is going to carry on with austerity.

Until we have a government that realises that its spending is the only way out of recession this won't change.