

## It's time for Labour to say that this recession is a po...

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There are, as I have often said on this blog, just four ways to restore the economic activity needed to create full employment in the UK.

One is for consumers to spend more, and they aren't; they're saving instead and understandably so in the climate of fear the government has created.

The second is for business to invest and we know they're not doing so and why should they when the government is cutting spending and consumers are saving?

Third there is a net increase in exports which increases domestic economic activity.

And last there is an increase in government spending.

This is an accounting identity: other options do not exist.

The third - an increase in exports - could counteract the first two where we know the downside is persistent at present. But as [the FT notes of yesterday's trade figures](#):

*An economic rebalancing away from a reliance on imports continues to elude the economy as Britain's current account deficit — which measures trade — rose to its highest level in almost 25 years last year.*

*The data, released on Wednesday, were met with grim acceptance by UK manufacturing companies, which have not been impressed by the government's attempts to help the sector rebound.*

So that's options one to three out of the window. Our only hope is of increased government activity and that the government is refusing to do.

That means this recession has been adopted by choice and is the result of deliberate government policy when borrowing at almost no cost to create the investment in the future that this economy needs is possible.

Why isn't Labour saying that?