

Forget the structural deficit: worry about the structur...

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We have been told for several years that the big concern in the economy is [the structural deficit](#). I never agreed. I was never even convinced we had one. But now we're supposedly seeing growth again, and my concern is the structural recovery.

Output is growing: I won't deny it if that's what the ONS says. But a boost in growth based on the household savings rate falling, business re-stocking after a period of such low confidence, house prices rising as a result of QE and more especially direct government funding for the sector which is going to and inevitably create and unsustainable boom and consumer credit increasing in the case of car loans is not a sustainable recovery. It is structural recovery, but the structure is all wrong.

What we need is recovery based on investment creating new jobs.

And we need recovery based on an increase in real earnings, and not on credit.

We need a recovery that sees more affordable housing, not less.

And a carbon based recovery based on car sales is the antithesis of the Green New Deal that we so badly need.

Most of all, we need to see government funding used for long term benefit, not bubble creation.

Only then will we have more work, better work (with fewer zero hour contracts), rising incomes, a more sustainable future, the infrastructure we need and the basis for a real long term improvement.

That's why we have the wrong sort of growth now. It's structurally wrong. And we need to get that structure right.