

The IFS has realised that austerity is a choice

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I have long argued that austerity is a choice. It is welcome that some who have long seemed in denial on this issue are now beginning to agree. [Take this comment from the Guardian this morning:](#)

The Institute for Fiscal Studies said the coalition government made “remarkable choices” to cut income and corporation tax that shifted the burden of balancing the budget to already hard-hit areas of government spending.

IFS director Paul Johnson said the move had also limited the Treasury’s scope for bringing Britain’s mounting debts under control.

“It’s been very striking over this parliament how £12bn or so is being spent on increasing the personal [income tax] allowance [and] something like £7bn-£8bn on reducing corporation tax,” Johnson told MPs examining Osborne’s autumn statement delivered last week.

I actually think the corporation tax cut is slightly bigger at about £10 billion, but let's not split hairs. The key point is that tax cuts that are remarkably ineffective in achieving their stated goals (because very little of the benefit of income tax allowance changes goes to those on low income whilst corporation tax cuts have quite clearly not boosted the economy or even business investment which has been turgid, at best) have been given whilst the dogma of austerity has been pursued.

First, Paul Johnson is right to say this is a choice.

And he is also right to imply it is a very bad choice when the consequences for the services the government can supply are so significant.

It is as if, he might be implying, this government may not want the state to function in the way that most people expect it to. And if that's what he's really saying he's right. I think it fair to say that he has at last rumbled that this government's goal is not the delivery of services but the dismantling of the mechanisms of state for the benefit of a few. If he has reached that point, welcome to the enlightened Paul. You're a valuable

addition to the team.