

The high risk economy

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The [FT has reported that](#):

A fifth of Britain's businesses are still stuck in "survival mode", unable or unwilling to invest to improve their productivity, according to a survey.

It appears that this means that these companies have yet to really get over the 2008 crash.

Three concerns stand out. The first is that [if George Osborne is to balance his books](#) he is relying on the highest rate of business investment in the UK since 1980 (and probably rather before). It really does not look like that is going to happen. In that case some serious changes in economic planning need to be acknowledged.

Second, this means that these companies may have problems paying the new minimum wage.

And third, we can expect corporate failures, especially if interest rates rise (as appears likely, however unwise that may be), we have a recession (as is likely) and if consumers do not borrow to the degree George Osborne expects (as is also likely if the first two hold true).

None of which is a pretty prospect because all indicate there is high risk in our economy at present.

But all of which help make the case for people's (or green) quantitative easing since that is based on a counter-cyclical investment programme, which I think we are going to need.