

Simon Danczuk needs to learn some economics and apologize.

Published: January 13, 2026, 12:49 am

I am, if I can be quite candid, [quite angry to read this in the Guardian](#):

Labour MP Simon Danczuk has become the latest person to question foreign aid at a time when money is needed for floods at home. The UK is one of the few rich nations to meet the UN target of spending 0.7% of gross national income (GNI) on aid every year.

“Why do we spend money in Bangladesh when it needs spending in Great Britain? What we need to do is to sort out the problems which are occurring here and not focus so much on developing countries. That has to be our priority,” said the MP for Rochdale on BBC Radio Manchester.

I am aware that Danczuk is a Labour MP, but which party he is a member of really does not come into this. The economic illiteracy that underpins the crassness and even callousness of his comment is what angers me.

The economic illiteracy that I refer to is Danczuk's obvious belief that we have a choice of either doing overseas development aid or flood relief. What this implies is that he thinks we are living in an economy where we are either at our full economic capacity and, therefore, to do more requires something else be stopped or, alternatively, he thinks there is a finite amount of money in the UK and that nothing can be done to change that meaning that we can either spend it on flood relief or on overseas development, but both are not possible.

Danczuk is completely wrong in all aspects of this analysis. Glaringly obviously this is an economy that is not operating at full capacity. We still have large numbers of people who are unemployed. We have 5 million people who are self-employed, many of whom would much rather have an employment paying at the proper rate for regular hours. And, we know that there are millions of people who are working part-time who would like to work full-time. In that case to suggest that in any way we are working at our full economic capacity is absurd: it is very obvious that we do have the resources to undertake all necessary flood defence works, and we can at the same time fund overseas aid.

So let's look at the money issue instead. Danczuk is presuming that there is, somehow, a shortage of money available to the government. When the UK has its own currency to suggest that there is a shortage of money is absurd as suggesting that there are a shortage of miles, or a shortage of kilograms. We can have as much money as we need to do a job: we proved that with a £375 billion quantitative easing programme from 2009 to 2012. What is more, at present there is no persistent or long-term inflationary risk from creating that money until full employment is reached, and as I've just noted, there is no chance we will reach that point some time to come. But, even if we did create inflation at that point, firstly that is our goal: the Bank of England's Monetary Policy Committee has been tasked with creating 2% inflation year, and has been failing to do so for some time. Secondly, it is entirely possible to take inflationary pressure out of the economy by increasing taxes. In other words, any risk that does exist is minuscule, to some extent desirable, and anyway totally manageable.

So, for Danczuk to suggest that because of a constraint on the amount of money that is available in the economy we cannot afford to do both flood relief and overseas aid is just completely incorrect. It is factually wrong. It promotes a myth, originally attributed to Liam Byrne that a government can run out of money. That was a joke, even if it was a very bad joke. Danczuk should know that. He clearly does not.

So, based on total misinformation and ignorance he blames the development budget of this country for the hardship of people in Lancashire and Yorkshire. That is, I suggest, a deliberate attempt to create tension that is, in my opinion, callous.

Danczuk needs to do three things. First he needs to learn some economics. Second, he needs to shut up until he has. Third, he needs to apologise when he realises how wrong he is.

I do not expect any of these things to happen.

PS: [I have explained how to fund this work here.](#)