

It's not the recession that will matter: it is who wins...

Published: January 12, 2026, 11:49 pm

The battle for the spoils of the next recession is already being waged. Whether or not the world will hit recession is debated. What is not is that we are in for a tough economic time when the memory of 2008 is still fresh with us and the impacts of much of the austerity that was supposedly going to restore UK public financial health has yet to hit. Whether or not we have recession is merely a technical issue: we are set for a few more years of economic misery and what is intriguing is the spat developing in the media about who might gain from this.

Damien McBride (a man for whom I usually have little time) [makes an interesting point in the Guardian](#):

Whether or not a crash is imminent — let alone one on the scale I fear — remains deeply uncertain, but the one assumption I have up to this point considered safe is that the beneficiaries in political terms would be on the left.

My reasoning was that if — for the second time in a decade — the economy crashes because of loose lending, bad investment and laissez-faire government, the capitalist model that survived the 2008 crash unscathed would finally be ripe for upheaval. In that case, I believed, Jeremy Corbyn, Bernie Sanders and other leftist candidates around the world might get the mainstream hearing they are currently denied.

Now I'm not so sure.

Nor am I. The right are already lining up to make the next recession their own. Trump is just the pinnacle of a movement that seeks to say that if only we have less government we would have been better off.

Robert Zoellick typifies the [right wing economic argument in the FT](#), saying:

After seven years of extraordinary governmental stimulus, the world needs a shift from exceptional monetary policies to private sector-led growth.

Having dismissed government led solutions proposed by Larry Summers and Ken Rogoff

to our economic problems he argues:

The third growth solution would re-focus policy on boosting productivity and potential, especially in the private sector.

The argument is that any intervention reduces the impact of market forces and this suppresses demand. So, he says:

For the eurozone, labour market flexibility, incentives to work and invest, and more efficient systems of social protection are vital. For the US, the question is whether the public will elect a president and Congress that will work together to rekindle private dynamism.

You can just see it: reduce labour protection, attack trade unions, bigger tax breaks for business and on and on. His conclusion? This:

If in 2016 there is no shift from monetary to growth policies, the future envisioned by Profs Summers and Rogoff could prove more likely: sluggish growth; currency conflicts; and populist politics and fights over distribution – punctuated by mini-crises as struggling economies falter. Political leaders can either try to shape their countries' destinies now or risk a future reckoning from the decade's economic experiments.

It's as if any government intervention is 'an experiment' that leads us inexorably from the market nirvana. The only trouble is, he believes it, and so do many others.

This is the fight ahead, and it is vital. But it's one where apathy, applauded for its positive qualities (which it has, for a ruling elite) [by Janen Ganesh](#) this morning will play a major part and where the battleground may be unexpected. [Gideon Rachman](#) inadvertently hinted at that this morning when saying (again in the FT):

The death of David Bowie last week made me feel first wistful, then optimistic. At a time when the papers are full of war, terrorism and crashing markets, listening to Bowie reminded me not to get too worked up about the daily headlines. Music and art will last, long after the political and economic news has faded away.

His message was that few remember the economic travails of the 70s, but we do remember the vision of Bowie that had such impact on the social liberalisation of society.

The question then is whether or not we face bigger travails than the 70s and, as importantly, whether a fight to preserve something - democracy, community, cohesion, social worth and collective well-being - can be as powerful a motivator as the demand for what became known as LGBTI rights.

My answer is that it all comes down to who tells the better story. For thirty five years the right has. The left has to overcome that to win. It's some challenge.