

## The Bank of England are wildly optimistic on the econom...

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I wish I could be amused by the [Bank of England's optimism](#) for the UK economy. They believe growth will be higher than predicted this year, that this will continue next year and that although inflation will increase wage growth may stay heard of prices. Admittedly they think 2018 is hard to call but what it seems they have not considered is the possibility of an exogenous shock. It's as if Carney's summer success in staving off a post Brexit vote downturn has left the Bank thinking that anything else that might happen can be addressed in the same way, meaning other potential shocks can be dismissed as factors to be considered.

I do not agree. Trump is the first possible shock. The reality of Article 50 might be the next. A loss of confidence in the UK economy as a result of growing political and economic tensions is also a real possibility. I am seriously hoping there is no significant break down in law and order as a result, but there are those in the media who seem intent on fuelling it. And if there are difficult election results in Germany and France next year, and I think that possible, with the far right gaining ground, then many aspects of our political and economic life might get much more difficult.

In that case what economic options are available to any government committed to maintaining the economic stability of the UK? Discussion I had yesterday suggested there are just two. They are [Green \(or People's\) QE](#) and the [Green New Deal](#).

When all is said and done most economic activity is domestic. And the UK has got the power to create its own money. In combination these plans exploit those two facts in a way no other economic plan available does. And they were explicitly designed to tackle economic downturn and the resulting need for transformation. The chance that we will need them grows by the day.