

It's taken a long time but the IFS has finally said som...

Published: January 14, 2026, 3:43 pm

It appears to be a truth almost universally acknowledged that the Institute for Fiscal Studies can do no wrong when it comes to tax and economics. It is a truth I do not share. The IFS is a hard core neoliberal organisation dedicated to many of the agendas that have been so destructive within the UK since 2010. If in doubt look at its Mirrlees tax review where the reforms it promoted would have been deeply regressive and disruptive.

In that case I was pleased to note [this comment in the FT](#) this morning:

Carl Emmerson, deputy director of the IFS, said on Monday: "Given all the current pressures and uncertainties - and the policy action that these might require - it is perhaps time to admit that a firm commitment to running a budget surplus from the mid-2020s onwards is no longer sensible."

The comment was issued by the IFS in association with a new report it has published in anticipation of the budget. And for the first time it is admitting that maybe a government should not target a balanced budget. The language does itself suggest where the IFS has been on this issue, and the perception within that organisation of the importance to it of saying this now.

I would just say, 'about time'.

And I would add three things. First, the IFS now needs to appreciate that crashing spending has always been about sucking life out of the economy. Second, it must realise that this is because when markets are functioning at way below economy capacity (and they are) only a government deficit can inject the cash the economy needs into its operating mechanisms. And third, the IFS must realise that the deficit is not a measure of what we owe, but of what we willingly own, and that means it should be embraced.

Do that and the IFS might have something useful to say.

But some atonement for its role as a proponent of austerity might not go amiss first. I have not heard that as yet from Paul Johnson, its director, who continues to write a

great deal of economic nonsense in newspaper opinion columns right now. I look forward to doing so.

Addition at 9.20 am

I like this comment, below, from a person at the presentation of the report:

I'm at the very well attended launch event. The report is a bit of a disappointment. Five and a half pages of historical review, and a page and a half looking forward, with much wringing of hands, "oh it is all very difficult".

I have read the '[report](#)' (dammit, it's hardly worth calling a blog post and it's certainly not a report). To describe it as a feeble analysis and had wringing would be kind to it.