

# Are we heading for another economic crash?

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The State of Nature web site has invited a wide range of opinion on the above question. The whole review is here. This is my contribution:

*The answer to this question has to be yes: capitalism is built on the concept of failure and so crashes are inevitable. The real question is how soon before the next crash?*

*My answer is soon. The reasons are multifold. It could be a hard Brexit creating a liquidity crisis for companies as lorries queue at ports meaning that businesses will fail as they run out of stock, orders and cash. Or it could be over-valued stock markets crashing, especially if central banks try (foolishly) to increase interest rates and trigger a household debt crisis at the same time. Alternatively it could be Chinese debt collapsing. Or (heaven forbid) Trump pushing his 'big button'. And it might be something else entirely.*

*The fact is economies historically do downturns. We are overdue for one. That would not be too worrying except that austerity and a failure to address most of the failings in financial capitalism that led to 2008 have left us hopelessly ill-prepared for the next crunch. And that's why it will be a crisis and not a manageable bump.*