

## The Great Fragility

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Might I recommend [today's column](#) from my old friend and fellow Green New Deal member Larry Elliott in today's Guardian?

As Larry argues:

*A synchronised upturn in the global economy has dispelled the pessimism that has been around ever since the financial crisis of a decade ago. Booming stock markets mean the billionaires who will spend the next few days emoting about inequality are considerably richer than they were a year ago.*

*Last January, the fear was that the world would never shake off the 2008 banking meltdown blues. Now there is talk of a return to the Great Moderation, the period in the late 1990s and early 2000s when growth was robust and inflation was low.*

Larry is right; this is the new mood. The [FT is positively drooling over it](#). 'Normalisation', otherwise known as the abusive form of bank led capitalism that was unconstrained pre 2008, is the aim of the wealthy elite now. But as Larry notes:

*Yet, the Great Moderation was always shakier than it looked at first glance, built as it was on foundations of debt, speculation, rising asset prices and a world divided between countries running trade surpluses and those deficits. As the [WEF noted in its Global Risks report](#) last week: "The global economy faces a mix of long-standing vulnerabilities and newer threats that have emerged or evolved in the years since the crisis." Talk of a new Great Moderation looks premature. The Great Fragility would be closer to the truth.*

I agree. Debt; inequality; the failure to address imbalanced economies; weak infrastructure; growing environmental threats; populist challenges to democracy; undermined public services, under-capitalised outsourcing; the threats to our economies are enormous. As Larry summarises it:

*So that's the Davos reality this year: economic fragility, environmental fragility, social fragility and political fragility. And it's worth remembering that when there's a threat of an avalanche, one rifle shot or even an untimely bellow can bring the whole mountain down.*

*Why? Because Donald Trump comes to Davos on Friday.*

He may be the tipping point. I am not sure though: at most he is emblematic of the deeper malaise I have [already noted this morning](#). But whatever might push neoliberalism off its perch its fall is inevitable. The only question is on what the consequences might be.