

We're in for a bumpy ride

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I was asked by an informed commentator what my predictions for the UK economy might be yesterday. The predictions were requested to cover the political as well as economic spheres.

The discussion took place for 90 minutes. I will not replicate it all here. Instead I focus on some key issues.

First, there will be no general election. The remote chance of this has been killed by the TIG.

Second, there will be no second vote, because no majority for it will be found in the Commons.

Third, this means Remain is now off the table. The UK is leaving the EU.

Fourth, I could not say how the UK will leave the EU and still doubt that anyone can. Overall I rate no deal much the most likely option because of the absence of a majority for anything else. But May might still, just, get her way from MPs desperate to avoid no deal.

Fifth, either way the UK's economic prospects are grim, although they are worse in the case of no deal.

Sixth, either way there will be major unrest in the UK. No deal will create a furious backlash from people promised a promised land who will very definitely not get it. The same people will be deeply angry with May's deal when they realise that it is not a final deal at all, and the process will just roll on and on and on, with little immediate apparent change. Remainers will be keeping their heads down. These reactions might be ugly and unpredictable. The failure of normal government is possible, and who knows what might happen then.

Seventh, assuming that a semblance of order can be restored after Brexit, the economy will still be heading for massive change. This would be happening without Brexit. The

decline in car buying; mobile phone buying and so much more; as well as debt stress, are all real phenomena. What they suggest is that we have an economy that is realising that its practices are unsustainable, come what may. A debt crisis is likely, and with it bank and pension fund stress on very large scale, which could trigger recession in its own right.

Eighth, the risk of the suspension of normal government in the UK is high to deal with post-Brexit chaos. Assuming that the risk of neo-fascist government is avoided, assisted by anger at those likely to lead such an arrangement over their failure to deliver on Brexit promises, then a left off centre government that leaves beyond the social democratic and democratic socialist belief in the growth of material well-being as the sole indicator of success is possible when this situation ends.

Ninth, in that scenario a Green New Deal is likely to emerge as a significant narrative. The drive for full employment, which a new-fascist government would deliver in different ways, would be the motivating factor driving support.

But this, and tenth, in turn will demand substantial change of UK financial institutions from government (PR), to the central bank (the end of inflation targeting, our tax authority (a shift to genuinely progressive tax bases) and much more.

What I did, then, suggest, was a scenario of rapid and deeply disruptive change, whatever happens. We're in for a bumpy ride, come what may.