

When will we need to discuss Jubilee as part of the pos...

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As The Guardian has noted this morning:

Britain's economy faces a long haul back from the third coronavirus lockdown as new figures show that [businesses took on debt](#) at more than twice the normal average growth rate since the crisis began. The total borrowed is set to reach £61bn by the end of the year.

They go in to note a wide range of concerns amongst business, but I want to concentrate on this debt issue alone, adding whilst doing so that we also know that large numbers of households are also facing growing debt at this moment, even as some save.

There are three issues of concern here. One is growing inequality. I worry about this most with regard to personal wealth, where we know the impact on wellbeing is pernicious for those who suffer from the stress that this causes.

But I also worry about this inequality from a business viewpoint now. Many businesses that met many of our real needs, including those for social activity and the arts, have suffered horrendously during this lockdown. Many of them might also have low carbon impact.

I very firmly believe that we need to address coronavirus induced inequality for both people and business. The case for working out how to now not just get those affected to survive, but to thrive, is strong and so far it seems to me to be wholly unaddressed by government, who continue to believe that, against all the evidence, the market will solve this.

The second issue is that this inequality will become very apparent when any recovery begins. I do not share the view of the government and Bank of England that there will be a wild consumer boom when the crisis is really over (which is very unlikely to mean 2021, in my view). There will instead be a demand to eat out, to socialise and to holiday. But beyond this desperate need to reacquaint again I do not see that boom in

spending, as yet. People living in fear do not spend that way. Nonetheless, what will become very apparent as 2022 progresses (when I think, or rather hope, that vaccines will really have made progress) that this stress from inequality will become more apparent in society. The haves, and the have nots, will become horribly clear.

That will be true amongst households. But it will also be true for businesses too. Remember that the borrowing that they are taking on is not for investment, but simply to cover losses. What that means is that those who have suffered those losses - and not all have - are now at a massive competitive disadvantage. They will have to work hard for years to simply generate the cash to repay loans, before they have any chance to invest at all. Many will not manage that. As I have suggested from the outset of this crisis, cash flow will eventually kill many businesses that were in a good position when all this started. But worse, a lack of investment will be a massive drag in business for a long time to come, just adding to the woes that Brexit is also creating for other businesses right now.

So, third, the reality is that I very strongly suspect that the UK is simply not ready for the boom that the Chancellor and Bank of England think will happen, even though evidence from earlier crises is that recovery of confidence takes a lot longer than they are presuming.

Where does all this lead to? Simply to the need for strong government action to tackle personal inequality, and the crisis in business as well. It is the job of government to tackle the unforeseen, or to provide freedom from fear, as I (and others) have put it. There is real fear of private debt now. There need be none about government debt. That is wholly under control. But there is real reason to fear personal and business debt.

The word Jubilee is important when it comes to debt. It refers to debt forgiveness. I wonder when we might need to discuss it as part of the post-Covid recovery? I am not sure that will happen now unless we do.