

The world's central bankers: running the economy as if ...

Published: January 13, 2026, 1:28 am

As [the Guardian](#) reports this morning:

Fears about a possible recession have pounded stock markets around the world amid reports that US Federal Reserve could raise interest rates by as much as 0.75% this week - its biggest single hike in borrowing costs for nearly 30 years.

As Wall Street's benchmark S&P 500 index fell almost 4% on Monday into bear territory, prompting selloffs from Sydney to Shanghai, US central bank policy makers will begin a two-day meeting on Tuesday with expectations mounting that they will lift rates by at least 0.50%.

This is only the seventh bear market since 1945, so this is economically significant.

So too is the Fed's reckless path that is not stopping inflation, but is driving up the dollar, is threatening recession and will create massive poverty in countries that have debts denominated in dollars - about whom the Fed seems to be utterly indifferent as if running a reserve currency is an issue of no consequence for it.

Simultaneously, the Fed is providing cover for those on the UK Monetary Policy Committee seeking to impose maximum hardship on the UK when, once again, interest rises can only increase the economic problems that we face, and solve none.

It's as if some people wanted a disaster.