

Stagffluence is the problem that we face

Published: January 13, 2026, 3:29 am

I am posting here the introduction from a piece by two colleagues at the University of Sheffield, Professors Rowland Atkinson and Andrew Baker. Andrew is a regular co-author of mine.

The [piece is in The Byline Times](#). If you like the introduction then I suggest continuing [reading it there](#).

I think the piece is important. It makes clear three things. The first is that where we are with regard to inflation now is nothing like where we were in the 1970s. I think that true.

Second, it suggests that language matters when it comes to such matters. Stagffluence is the problem that we face. Stagffluence describes something very different to stagflation, and graphically.

Third, it suggests that is important to reject lazy comparisons with the past if appropriate responses are to be found now.

That's why this is worth sharing:

Stagffluence not Stagflation

Across the political spectrum on both [right](#) and [left](#) there is talk of a return to 1970s-style stagflation. Global turmoil, rising food and energy prices and real wage stagnation threaten a new era of declining living standards for many.

But while both rising prices and economic stagnation are present, the conditions of 2022 are a very different beast, with contrasting causes and symptoms to the infamous stagflation of the 1970s.

Stagffluence involves inherited and widening inequalities producing relative

affluence for some, but seeming terminal stagnation for many more. It is a world in which wealth is inextricably bound up with home and asset ownership and the incomes both provide.

The nature of this division is partially captured by [Office for National Statistics \(ONS\) data](#) showing that the top 10% in the UK own 43% of the wealth, whereas the bottom 50% own a mere 9%. The latter group also suffer the severest squeezes in disposable income due to rising prices.

Today just over half a million [homeowners in the UK own property](#) worth more than a million pounds. Many own more than one property due to being able to leverage the value of existing homes, or because of inherited wealth from homeowning parents. Three-quarters of a million British households (772,000) now own a second home (39% are for holidays, 35% for rental income,) a fifty per cent increase on a decade ago.

In contrast, today around one-third of households have no wealth at all. While a third of second homeowners use their second property as holiday homes, the bottom two-fifths of households cannot even afford a one-week [holiday](#).

In such a fractured social context, language matters. Stagflation became a byword for excessive trade union power in the 1970s. It created a rationale for political and market restructuring, constraining the power of organised labour and introducing greater freedoms for business.

The 1970s crisis of stagflation was an entry point for neoliberalism. Markets were introduced into public services. Finance was made the centrepiece of the economy. Cultures of investment and asset ownership were promoted. Employee rights were eroded, and real wages were repressed for the bottom half.

Reaching for stagflation to diagnose the current cost of living crisis is a lazy and dangerous reflex, not least because it leads to a conclusion that the same medicine used to treat the 1970s stagflation is appropriate today. Stirrings in this direction are already present in UK politics from both [government](#) and [opposition](#) voices in the form of proposals for tighter public expenditure, interest rate rises and calls for wage restraint.

Today's stagffluence is a more socially differentiated phenomenon than the 1970s stagflation. It has grown out of decades of political choices that have restructured the balance of power and distribution of wealth in society.

In the UK, successive governments have promoted the [interests of corporate backers in property ownership, construction and finance](#). Homeowners have been privileged through careful policy-making, while many in parliament are connected to the property lobby.

Alongside this sits massive offshore purchasing of housing and property to avoid tax. Central bank asset purchases through quantitative easing post-2008 crisis have further fuelled the [wealth of the asset-rich](#).

[Continue here.](#)