

# The old narratives are dead. We are waiting for the new...

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The Office for National Statistics [has reported this morning](#) that:

- \* UK real gross domestic product (GDP) is estimated to have shown no growth in Quarter 3 (July to Sept) 2024, revised down from the first estimate increase of 0.1%.
- \* The quarterly path of real GDP at an aggregate level is unchanged from Quarter 1 (Jan to Mar) 2023 to Quarter 1 2024, however, there have been downward revisions of 0.1 percentage points in Quarter 2 (Apr to June) and Quarter 3 2024.
- \* Within the output approach to measuring GDP, there was no growth in the services sector in the latest quarter, whilst a 0.7% increase in construction was offset by a 0.4% fall in production.
- \* Early estimates show that real GDP per head fell by 0.2% in Quarter 3 2024, and is 0.2% lower compared with the same quarter a year ago.
- \* Early estimates of real households' disposable income per head show no growth in Quarter 3 2024, following growth of 1.4% in the previous quarter.
- \* The household saving ratio is estimated at 10.1% in the latest quarter, down from 10.3% in Quarter 2 2024.

I made [it clear in May](#) that this would happen, and continue.

I had previously stated that I did not believe in growth. As I [argued earlier this year](#):

*Growth is the wrong goal. Meeting need is what we must do, for everyone. Only then can we consider meeting wants, and then only within sustainable limits.*

*For those who think that this suggests that we will have a miserable existence, think about what it is that have created all the most valuable memories and experiences in your life. I can almost guarantee that none of them related to material consumption that satisfied a want. Almost all of them will relate to an occasion when you shared an experience with others, whether that was an intimate moment, or a family event, or a*

*concert, or some similar experience, such as the celebration of an achievement. What all these things have in common is that each also relates to the meeting of the need, whether that be for emotional, intellectual, or spiritual well-being.*

*Meeting those higher order needs is harder, however, if our material needs are not met. It is very hard to be joyful when you are hungry, cold, destitute, or are living in fear. Meeting need is, then, the precondition of happiness. Supplying the wants of some, at cost to meeting the needs of others must always, in that case, be a sub-optimal objective. GDP growth is, in that case, always the wrong goal in economics.*

*That economics has moved far from its roots in moral philosophy is evident from its focus on growth. It needs to go back to its roots and talk about what is right. Meeting everyone's needs is the right goal for economics. It is what any government should do. And that is why I will criticise any government that fails to achieve that, most especially if it does not even try to do so.*

This is a growing belief on my part, which I might explore more over coming days.

But what I do know is that this failure blows Labour apart. Growth is their be all and end all. It is not going to happen. Worse, as Martin Wolf notes in the FT today, Labour is actually crushing the animal spirits that might drive growth. They have, in that case, no chance of delivering their plans.

We are left with two choices in that case. One is government by oligarchs, who will crush the economy so long as it advances their cause.

The other is a wholly new approach to economics. I see very little in between these two positions.

The old narratives are dead. We are waiting for the new to be born.