

Who is asking the big economic questions right now?

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Economics is all about choices, but when most economic discussion is focused on almost irrelevant day-to-day minutiae and political tittle-tattle, who is there asking the questions that could really make a change right now?

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This is the audio version:

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This is the transcript:

We really do need some grown-up economics these days. We don't get it. We see economists, politicians, journalists and others obsessing about micro details of changes in tiny indices, when they do not seem to be in the slightest bit concerned about how they're calculated and claim as a consequence that the world is going to hell in a handcart or that Rachel Reeves is now delivering an economic miracle. And neither of those claims is true based upon the analysis that they have to offer.

What I'm suggesting to you is that right now, in the UK, the economy is stagnant. Nothing is really changing. The monthly change in the rate of inflation, it's neither here nor there. It's the consequence of minor differences in the calculation of the inflation

index over time that are inconsequential to any policy decision that anybody might need to make as a result.

The same is true, for example, with regard to growth data, where if the figure is 0.1 percent positive, there is, well, a party in Downing Street and celebration in the High Street, supposedly. But actually, nobody can tell the difference between 0.1 per cent growth and zero percent growth because it is literally one tenth of a percentage point, which is technically neither here nor there, and probably a rounding error in the statistics.

But if there had been a 0.1 per cent decline in GDP, heaven forbid, we would be in the most terrible state and Rachel Reeves would have to deliver austerity and everything else.

Look, all of this is nonsense, is the point that I'm making.

Many of these statistics are based themselves on an enormous number of estimates that are made by the Office for National Statistics in the UK. Those estimates can vary in their reliability from time to time. For example, labour statistics at present are extremely poor in the UK, because very few people are replying to the request for data when it is made of them.

And we are also seeing problems with regard to data on the indices for inflation, because this has proved to be erratic on a monthly basis, producing unreliable information when month by month comparisons are made as a consequence.

And when it comes down to it, the fact is that the differences we're seeing are within reasonable parameters, literally inconsequential to decision making.

So, what I want are journalists, politicians, commentators and others who can literally look beyond the horizon of the next news bulletin and whether or not they can announce that Rachel Reeves is in trouble or not and instead talk about what's really happening in this country?

What's really happening in this country is that we are not making the things that people want and therefore we are not growing.

We are, however, concentrating wealth ever more intensely amongst a smaller group of people, and therefore inequality is rising.

We are not managing to deliver the public services that matter.

We are not collecting tax that is owing because the government is not investing in the process.

We are cracking down on supposed benefits cheats who actually cost us a lot less than

tax cheats do, even though the net outcome of doing so will be inconsequential for the overall government finances. But this does make the journalist feel so much better because beating up people who are in poverty is apparently a great pastime.

And we have an economy that is leaving people utterly dissatisfied. T

here is no index we have that addresses that fact, and this is the curious point, unless you want to talk about, I guess, the poll ratings of all the major political parties combined, which are declining because fewer people vote election-by-election as a whole, because they are so disenchanted with what the mainstream political economists of the UK can supply, we have no way of telling how disenchanted people are.

And again, this is why I want to talk about grown up economics. The economics we've got so massively misses the point because it focuses upon these desperately micro issues of consequence so that nobody is actually looking beyond them to ask the questions of, what should we be doing?

Should we be tackling climate change? Should we be literally making people's houses more resilient, street by street, house by house, window by window, employing people to do it?

Should we be talking about real financial and economic security by providing a food system that actually doesn't poison us as ultra processed food does?

Should we be talking about how we can improve education by stepping back and asking, "Are we teaching the right things that people need to know to be able to partake in the world that they will eventually live in when it's very obvious that we are not doing that at present?"

Should we be asking why it is that we are not funding our tax authority to collect the money owing to it, when doing so would protect honest businesses who are struggling to survive because they're being undermined by tax cheats of whom there are hundreds and thousands, and even hundreds of thousands, in the UK economy?

Those are big economic questions. What we should do, why we should do it, are the questions that need answering. But instead, we get economic analysis that focuses on the fact that last month, things did not quite work out as budgeted even though nobody has ever worked out why the budget was set in the way it was in the first place.

Should we be going back to these fundamental points? This would be grown-up economic analysis.

We don't get it. And that worries me, because without it, how are we going to hold our politicians to account?

And how are they going to know the questions that we really need answers to? We rely on the commentators, the thinkers, the economists, the people within newspapers and on the media, to ask such relevant questions.

If they won't, who will?

That is what I'm worried about.