

CRASH! BANG! WALLOP!

***Britain's economic decline
and how we can escape our demise***



By Ewen Stewart



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Introduction

THIS COLLECTION of short essays in advance of the first Labour Government Budget for fourteen years explores the current state of the UK economy, considers the likely remedies and proffers an alternative that might save the country from otherwise inevitable demise.

The first section deals with the staggering economic decline of the UK and indeed the entire European continent not just globally but relative to other advanced nations be it the US, Australia, G7 or even Canada.

The next article examines what has been different about the UK (and EU responses) to produce such a global outlier – the failed region – relative to the rest.

Subsequent sections will deal with what Labour's likely response will be and if it will work. Finally, we will look at how we could do rather better. The good news is its not yet too late for it to be turned around.

1. The decline is real

Britain's relative decline is truly staggering

WHILE GDP is just a number and of course a crude average it really matters as, without improvement, empires are won and lost on economic power. Frankly this will be the last generation where either the UK, or indeed the continent of Europe, has much influence or indeed relative prosperity – so dramatic are the global shifts.

The charts in this paper which are sourced from the UK Office of National Statistics (ONS), World Bank, or International Monetary Fund (IMF) – need little explanation. The first three charts are based on per capita Gross Domestic Product, as the wealth per head is much more relevant to the individual with the last looking at aggregate GDP. In each case the trend is clear and well established.

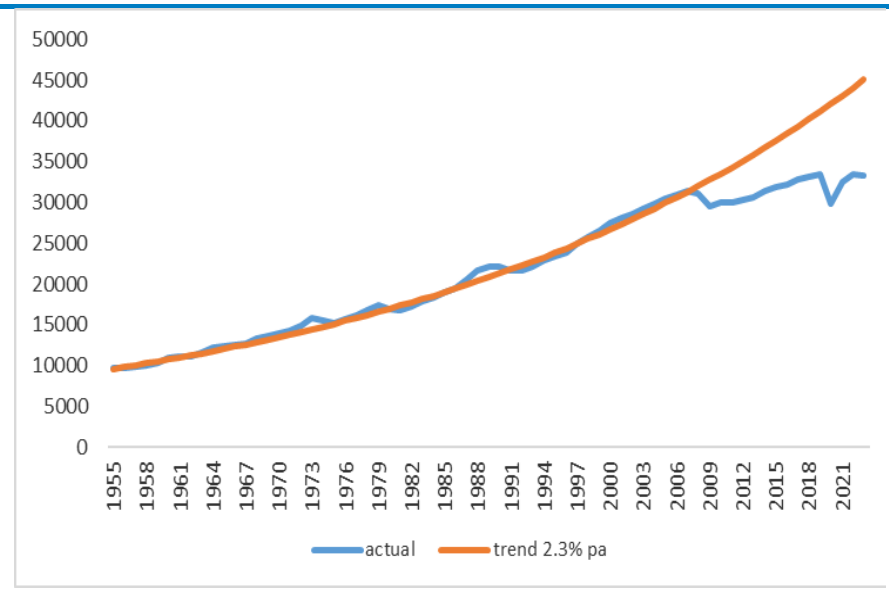
We are genuinely becoming northern hemisphere Argentinians but without Javier Milei. That might sound a bit extreme but draw your own conclusions from the charts!

What has happened since 2010?

Since the industrial revolution trend per capita (per head) economic growth in the UK has been remarkably stable at around 2.3% each year. Figure 1 overleaf shows UK GDP per head since 1955 and the trend line fit is near perfect until 2010.

According to the ONS in 2010 UK per capita GDP was £29,518. Today it stands at £33,271 an increase of some 12% over 14 years. The problem is if the economy had grown at the long-established historic trend of 2.3% GDP per head would have been around £45,000 today, or some £13,000 each more. That is a staggering loss of wealth.

Fig 1 UK GDP per head £ real and trend in per capita GDP growth since 1955



Source ONS

Worse, current GDP per head has barely improved in five years. This is unprecedented and to my knowledge is the weakest performance since records began well over 200 years ago.

Many excuses for this dreadful performance have been given. Some have credence, or certainly have influenced the outcome, although in each case the path selected was a matter of policy choice. Lockdowns, the blow back from the global financial crisis and subsequent monetary response, and the impact of the war in Ukraine have of course been instrumental.

Other excuses for the poor performance are more eccentric and generally based on the notion of perceived underinvestment of the public sector, or the impact of Brexit. I will deal with these excuses in the next chapter, for to have any hope of achieving a cure we must accurately assess the nature of the problem.

However, regardless of one's perspective, the UK operates in a global environment thus the impact of lockdown, Ukraine and the global financial crisis was being felt across the globe, albeit to varying degrees, as differing responses were developed. Thus, the usual excuses for poor performance are not that valid when comparing the UK's relative performance with others.

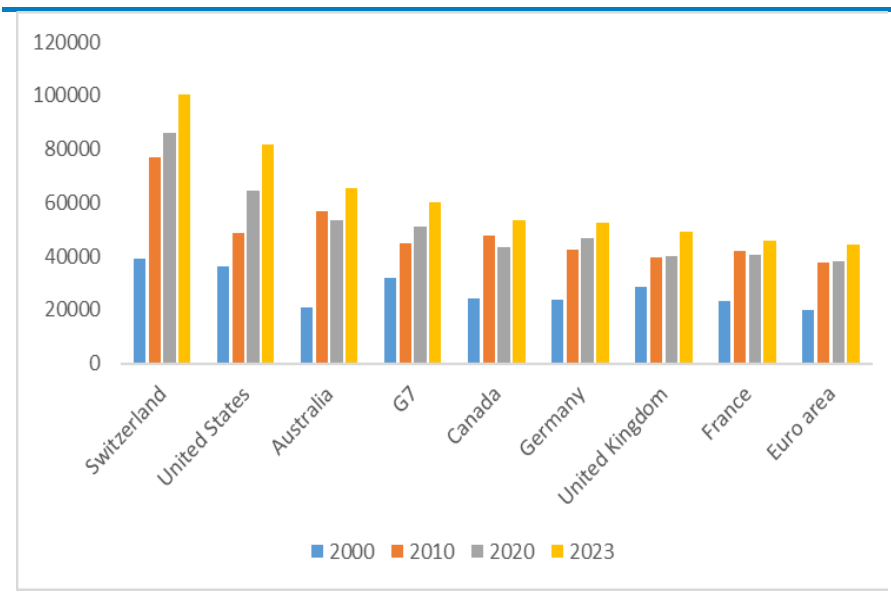
Poor growth is not a developed world problem, it's a European one. The UK is choosing to be poor.

So, if the UK has seen GDP growth per head stagnation has this not effected most other countries? How has the UK done by international comparison?

The Figure 2 overleaf compares GDP per head in US Dollar terms of key developed nations ranked in descending order by decade since 2000. As the Millenium bells struck in 2000 the UK was in quite a strong place bettered by only Switzerland, the US and the G7 average (which in itself was influenced by the large US weight in the G7).

Today, of the major nations examined only France and the Euro Area are poorer per capita than the UK. Notably Canada and Australia have powered ahead with Australia in particular now 32% richer per head from an inferior position just a generation ago.

Fig 2 GDP per capita (USD) Major nations



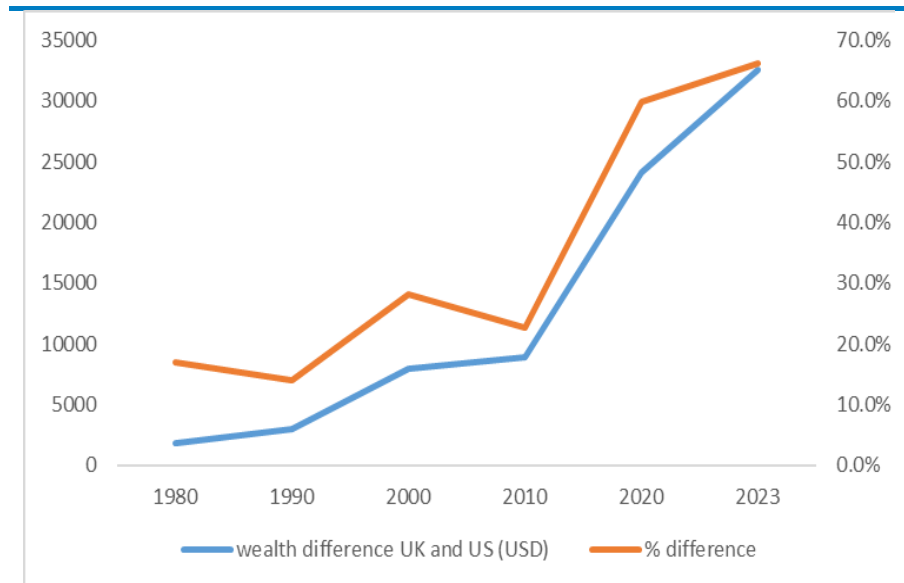
Source IMF

If we simply look at how the UK and US have performed since 1980 the position is even starker as outlined by Figure 3 in the next page. In 1980 US standards of living were not so far away from that of the UK with the average American 16.9% richer.

Today the average American is 66% richer. Today (repetition) Now, only one US state, Mississippi, has a GDP comparable with that of the UK, with the other 49 states of the Union all more prosperous and most materially so. If one also considers that energy bills are about a third of that in the UK and like-for-like property costs are generally much lower the differential is stark indeed. America is now a different planet and has utterly left the UK behind.

The economic decline of the UK is mirrored across the EU in particular but also to a lesser extent in the West in general. Figure 4 overleaf looking at purchasing power

Fig 3 GDP per capita wealth gap US minus UK in USD and % of greater wealth per capita in US



Source IMF

parity GDP expressed as a proportion of global GDP shows how rapidly the sands of economic power are shifting.

Global wealth was dominated by the OECD in 1990 which accounted for over almost 62% of entire global GDP and 3.5 x that of the then developing East Asian region. China was irrelevant at just 3.1% of global output. Today, while the OECD remains the dominant global bloc, its power has shrunk to 44% of global output with East Asia at almost one third snapping on its heels.

China from nowhere is now, according to World Bank data, the globe's largest economy. The EU's global weight has reduced from almost one quarter to virtually one seventh since 1990, with no signs that the trend is abating. Indonesia's purchasing power parity GDP is now judged to be greater than the UK's.

Fig 4 GDP purchasing power parity expressed as % global GDP

	1990	2023	change
OECD members	61.9%	44.0%	-17.8%
East Asia	17.5%	32.6%	15.1%
China	3.1%	18.8%	15.7%
United States	18.6%	14.9%	-3.7%
European Union	23.8%	14.6%	-9.2%
India	3.2%	7.9%	4.7%
Latin America & Caribbean	9.2%	7.8%	-1.5%
Middle East & North Africa	5.1%	5.7%	0.6%
Russian Federation	5.3%	3.5%	-1.7%
Japan	7.3%	3.5%	-3.9%
Sub-Saharan Africa	2.9%	3.3%	0.4%
Germany	5.7%	3.2%	-2.5%
Indonesia	1.5%	2.4%	0.9%
France	3.9%	2.3%	-1.7%
United Kingdom	3.4%	2.2%	-1.2%

Source World Bank

Of course, the above statistics only tell part of the story. China may have a greater GDP in purchasing power parity terms than the US but it has around 1.4 billion citizens compared with just 330 million in the US or the 440m in the EU. We remain richer per head by far but the point remains that relative position is under severe challenge and declining fast.

GDP also says nothing of the array of other assets nations possess from soft power, diplomatic influence, the rule of law, property rights, a stable political environment and ultimately hard power. Historically most would have said Britain performed well at these soft assets. The operative in that sentence being *historically* – in many cases Britain’s historic advantage has been severely eroded.

The US has massively widened its lead per head over the UK while our little cousin Australia, not to mention Canada, has materially powered ahead. Sure emerging countries can grow rapidly from a low base in an age of technology transfer, but there is no good reason for the UK and EU’s desperate underperformance.

In the UK’s case the last five years have been per head the worst in 200 years. Repeat, *the worst*. This really matters as ultimately all the nice things from high art to music, philosophy and scientific discovery are closely linked to wealth, and our relative position is currently and unambiguously in structural decline.

2. Why did the decline happen?

Why has the British economy's relative decline been so precipitous?

THE UK's material relative economic decline can be pinpointed almost exactly to the onset of the Global Financial Crisis (GFC) starting in 2008. As demonstrated earlier that's when the long term 2.3%pa per capita growth trend severely broke down. Proving exact cause and effect is of course complex with a number of factors at play, but since the GFC the UK has been stuck in a near death loop with negligible growth, as you will recall, the worst since records began 200 years ago.

Currently, the dominant narrative for this decline appears based on four primary arguments which can briefly be summarised as a) covid-19 impact b) the war in Ukraine c) public sector austerity and d) Brexit. Neat arguments, but as we shall show there are two big factors that are missing from this narrative, namely the impact of monetary policy and migration.

Further, of the dominant narrative four factors outlined above, in my view, only one has been truly material (covid-19) and another has some credence (war). Of those other narratives one is downright inaccurate (austerity) and the other is of virtually no consequence (Brexit). It is however essential to understand the reasons for the UK's poor performance, for without understanding the cause a cure will be illusive.

The UK response to the Global Financial Crisis

It is the case that the UK, in common with much of the world, has been impacted by an unusual number of 'black swan' events over the last 15 years or so. The GFC stands as the watershed moment, in my view, changing the relationship between the state and those that it purported to govern. The post-GFC world has also been one of severe relative decline and stagnation.

In 2008 onwards, in an attempt to understandably avoid a 1930's style depression, policy makers adopted a highly unusual monetary response of firstly reducing the cost of money with interest rates falling, in the UK case from around 5% to at the low 0.1%.

This was coupled with central banks adopting a novel approach of printing money (quantitative easing: QE) where authorities effectively bought their own government debt with newly created funds. Between 2009 and 2016 the Bank of England created £445bn, or around 20% of GDP at that time. Internationally, other central banks did something similar.

The policy worked in as much as it stabilised the global economy but it had toxic side effects. It distorted asset prices, created arbitrary winners and losers (those who had assets generally enjoyed asset price inflation and those who didn't were relatively left behind), encouraged inefficient asset allocation undermining sustainable growth and critically encouraged Governments to spend with less regard to balancing budgets funded by tax receipts. The age-old imperative to balance budgets prudentially had been broken.

The then Chancellor announced an 'austerity programme' signalling to markets the government was serious about 'balancing the books.' In reality however, while public spending was more effectively controlled than over the last five years public spending did not fall in real terms. Austerity was a myth put around to placate bond markets. Contrast that with, for example the Republic of Ireland where public sector salaries routinely fell by 20%. *That is real austerity.*

Coupled with this, the Bank of England, under Mark Carney, continued to run a policy of negative real interest rates, so a decade after the global financial crisis, they were still under 1% – a situation unprecedented in the 300-year history of the UK central bank.

The response to Covid

Then comes the second black swan, covid-19 and the catastrophic response, lockdown, for the best part of two years. The response to enforced lockdown was to print a further £450bn through QE and crash interest rates to 0.1%. Effectively money was free.

The consequences of this were profound. Two years of highly negative growth with all the pain falling on the private sector, further economic distortions, societal change in terms of attitude to work (aided by furlough), significantly rising inactivity (over 9 million of working age now not working for a variety of reasons), a subsequent huge increase in migration and disruption to supply chains.

These factors started to fuel inflation, which had been largely absent before lockdown in goods (not assets or services) due to technology advances and let's call it the China effect (cheap product from low cost economies.)

War in Ukraine

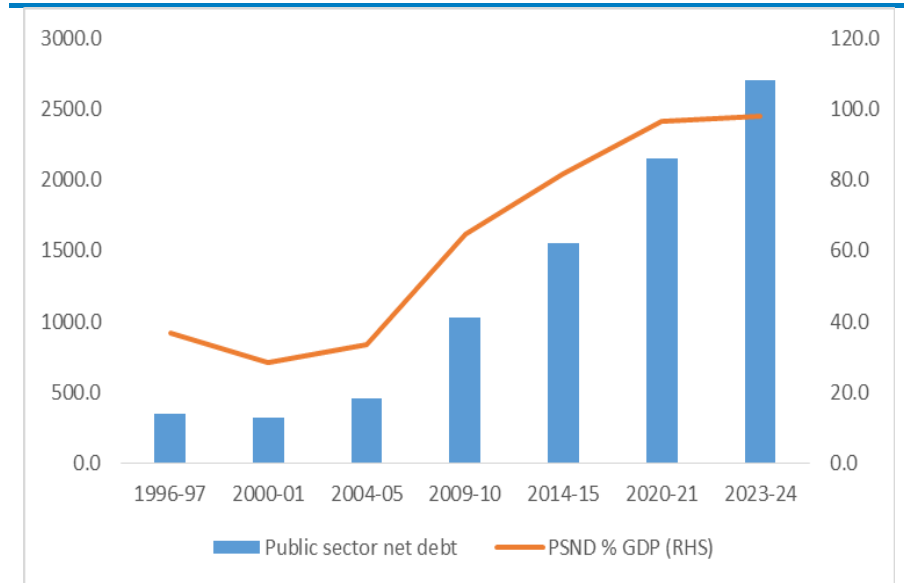
Coupled with the third black swan – war in Ukraine and the choice to sanction Russia which from an economic perspective – has fuelled domestic inflation while doing little to undermine the Russian economy, forced central banks to raise interest rates.

The impact of these three shocks and more importantly the response was to balloon the national debt, increase the size of the state at the expense of the productive private sector and create a belief amongst policy makers that they were God. They could effectively do as they pleased, spend as they liked and kick the can down the road pretending all was well.

Figures 5- 8 over the next few pages highlight just how profound the change has been.

From a low level of public sector indebtedness before the GFC this has more than tripled in real terms in 20 years with the biggest peacetime increase in debt on record (Fig 5).

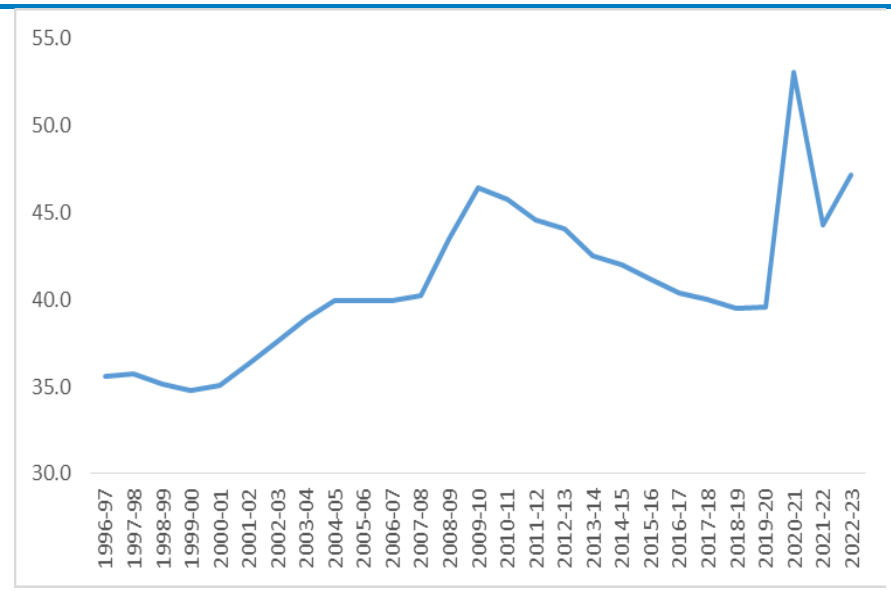
Fig 5 UK Public Sector Net Debt £bn and % GDP



Source ONS

From a private sector that was almost two thirds of the economy in 2000 to almost half today. (Fig 6)

Fig 6 UK public spending as proportion of GDP 1996-7 to date



Source ONS

And if there was no real austerity in the Osborne years there has been a glut since Johnson became PM with public spending increasing from £857bn in 2019 to £1222bn currently, a rise of almost £200bn in real terms since 2019 in exchange for public services noticeably failing. (Fig 7)

Fig 7 UK total managed expenditure, CPI adjusted total managed expenditure and real spending increase since base year 2017-18 £bn

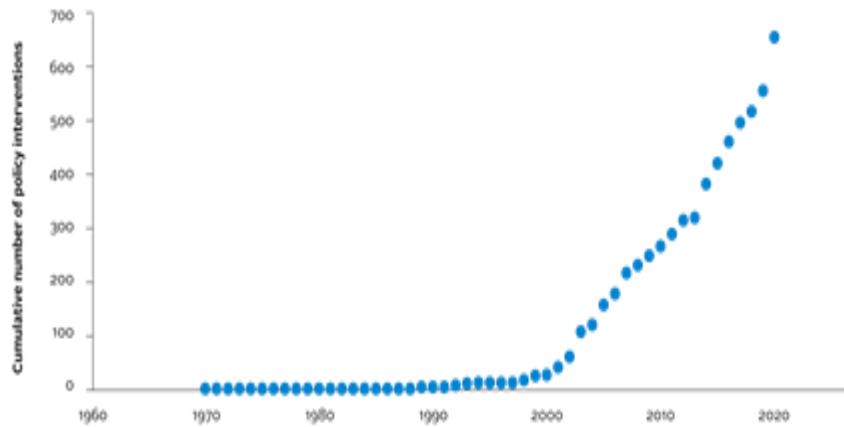


Source ONS & OBR

Effectively the UK has swapped a productive private sector for a low productivity unproductive public one and taken on board eye watering levels of debt.

Worse, as we can see from Figure 8 looking at global cumulative ESG policy interventions what remains of the private sector is now regulated to an unprecedented extent. In the UK hardly a sector is now not tightly regulated from energy to football, from banking to employment law and everything in between.

Fig 8 Cumulative ESG policy interventions

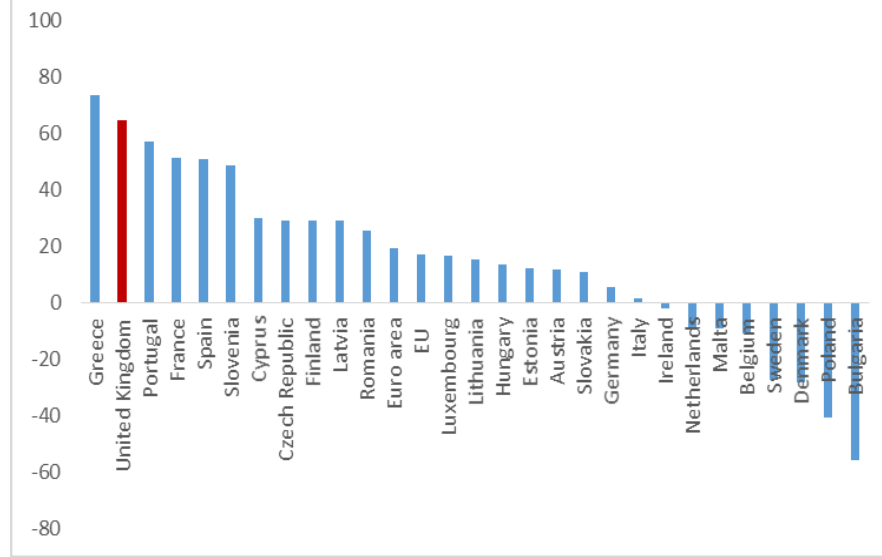


Source <https://www.unpri.org/pri-blog/regulation-database-update-the-unstoppable-rise-of-ri-policy/7352.article>

Some will argue that these were global phenomena thus it should have impacted all equally. The answer to that is the events might have had global impacts but the responses were generally national and the UK response was generally to spend, centralise and control to a far greater extent than most other countries. The UK chose its migration policy, it chose to regulate more than almost any other nation and it chose its response to lockdown in an absurdly expensive and inefficient manner.

It is a matter of record that the UK has seen a greater deterioration in its public finances than any European nation bar Greece since 1997 as indicated by Figure 9.

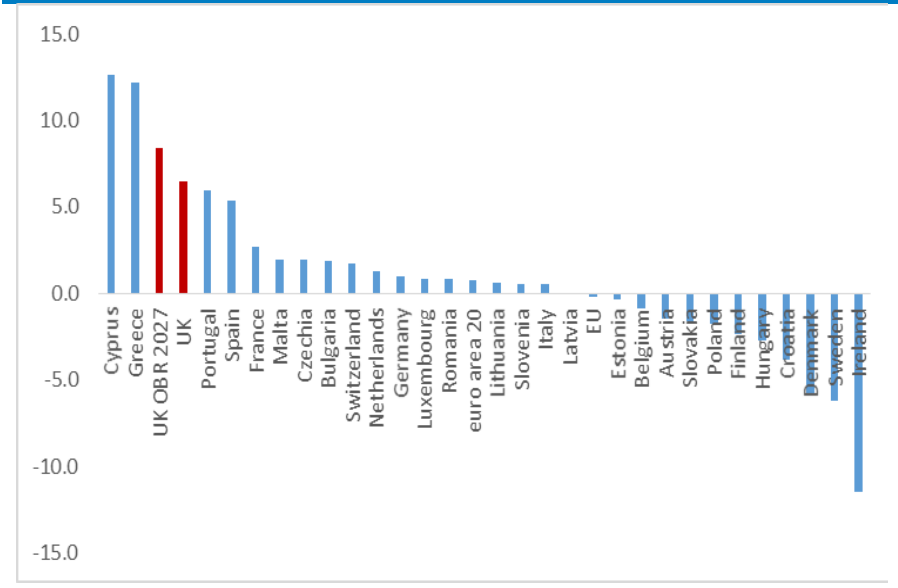
Fig 9 % change in public debt to GDP 1997 to 2023



Source Eurostat

As indicated by Figure 10 overleaf it is also a matter of record that bar Greece and Cyprus the UK has already raised the tax burden proportionately more than any European nation and that is before the likely increase that Rachel Reeves might have in mind. Many nations have actually cut tax over that period.

Fig 10 Change in Tax revenue to GDP % from 1997 to 2022 EU, Switzerland, UK and OBR projection for UK in 2027



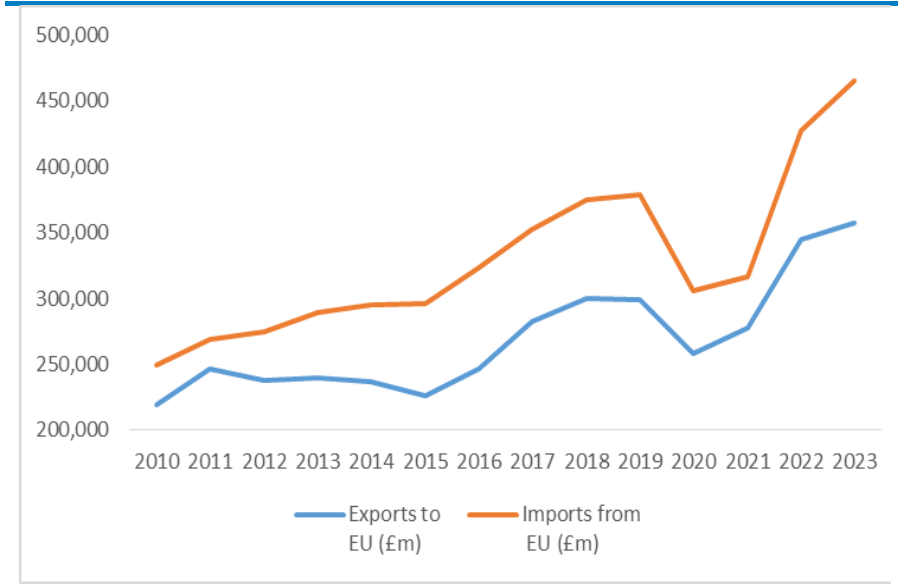
Source Eurostat

And it chose its migration policy which was effectively open door with net migration increasing from near zero in 2000, to routinely 200,000 per annum to 2020, to around 800,000 since, with gross migration well over a million per annum. This has distorted the housing market, pressured public services, impacted wage levels negatively and, as the OBR has confirmed, particularly for low-skilled migrants, is exceptionally expensive for the public purse.

Brexit? Really?

For those who think, well, it was Brexit, while the UK certainly has made poor choices and has not used the historic opportunity to create competitive advantage (quite the opposite) trade with the EU has increased by 45% since 2016 as indicated by Figure 11 below. Frankly, regardless of ones views on the subject, Brexit’s impact is a rounding error compared with the GFC, lockdown, migration flows and the growth of the state and regulation.

Fig 11 UK trade with EU £bn



Source ONS

Policy makers have radically changed the British economy over the last 20 years as a matter of choice. They have faced black swan events but the manner they have dealt with these challenges has been extreme by US and European standards.

There have been numerous poor choices but the most significant errors were failing to normalise monetary policy for over a decade after the GFC with inappropriately low interest rates and money printing and increasing regulation across the entire economy effectively controlling and centralising areas that would have seemed eccentric just a generation ago.

But the real straw that broke the camel's back was the response to Covid-19 which embedded much higher public spending that ultimately has broken aspects of the nation's work ethic, increased public debt markedly and resulted in much higher public spending with greatly inferior service. The result has been unprecedented levels of tax, squeezing the private sector further.

These factors have weighed heavily and squeezed growth out of the system. Austerity is a myth, sure the services are poor but that's down to weak leadership, systemic failure and lockdown rationing service rather than money. Money has been thrown at the system to such an extent that public spending now equates to £42,000 per annum for each and every household in the land.

So, having cantered through a brief history of the last 20-odd years we will next examine if the current Government is likely to improve the position or not.

3. How will Labour respond?

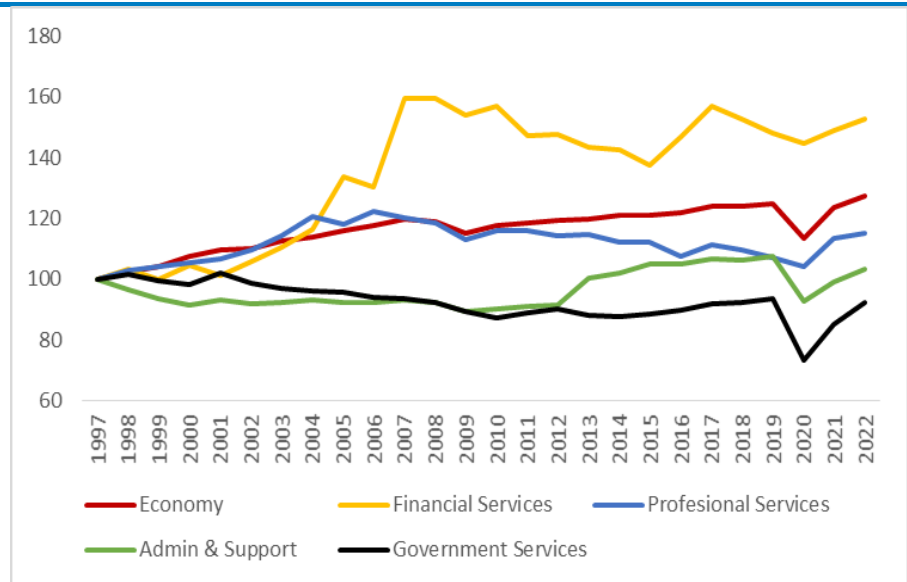
What might Labour's new Chancellor do?

THE SHORT ANSWER is your guess is as good as mine, save for raising yet more tax. Rachel Reeves has claimed there is a £22bn black hole (around £750 for every family) but while she is correct the current position is, unsustainable in the longer term, the additional £22bn – if you believe it and I don't – is largely of her own doing. Labour's early decisions have made matters somewhat worse.

Labour has made matters worse by rewarding its own client base, the public sector, with some eye-watering pay rises. As salaries make up around 50% of all public spending (the remainder is largely debt interest, procurement, pensions and welfare payments) inflation busting pay rises not only add to the burden immediately, but also in the longer term through largely unfunded pension liabilities.

Worse, despite public spending increasing by over £200bn in real terms over the last five years there has been zero productivity in response. The Office of National Statistics' (ONS) own data suggests that public sector productivity is lower today than in 1997, despite all the revolutionary technology over that period, as indicated by the chart below, as outlined by Figure 12 overleaf.

Fig 12 UK productivity. Output per worker economy and key sector 1997=100



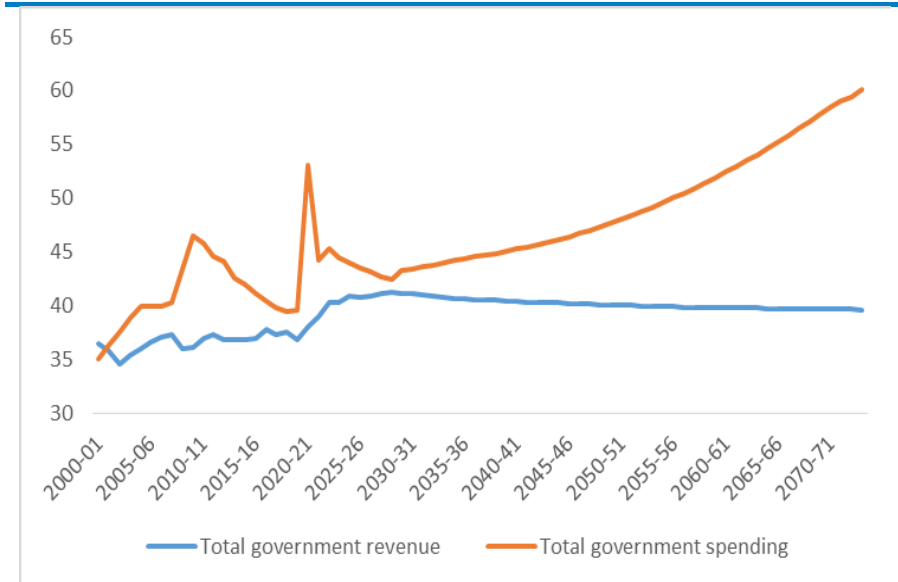
Source ONS

Warning signs are real

The Office of Budget Responsibility (OBR) has, however, done the UK a favour. In its beautifully titled report *Fiscal Risks and Sustainability September 2024* it helpfully outlined its current view of the future. Their two key charts are below.

The first (Figure 13) looks at the structural growth of the state – which it sees growing to Soviet levels of 60% over the next 50 years, and the second (Figure 14) looks at the National Debt which on any measure becomes unsustainable fairly quickly even without the ‘shocks’ the OBR seems to expect.

Fig 13 UK OBR projections of public sector spending and revenues to GDP %

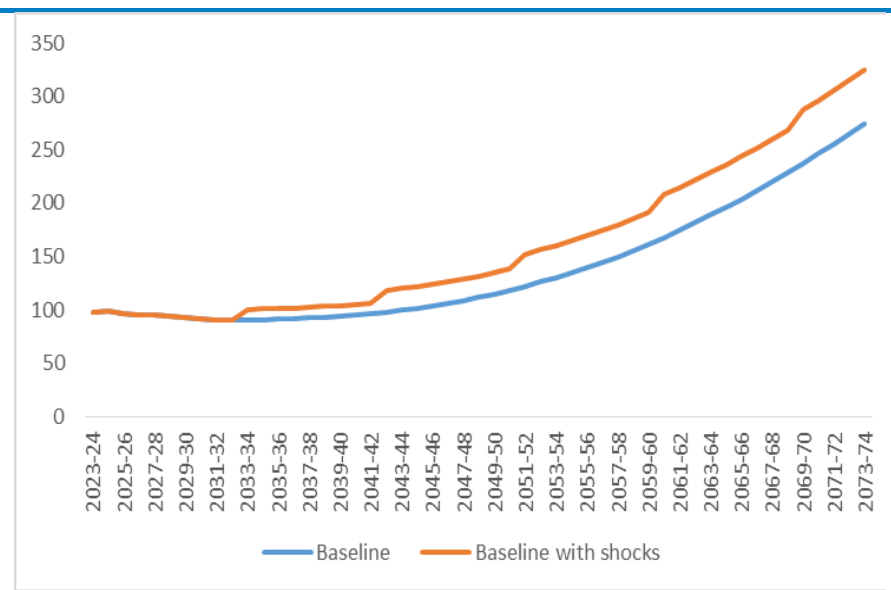


Source OBR

Of course the OBR’s analysis is indicative only, but what is clear is without action to curtail spending growth the situation is unsustainable. Why did it model it this way? Very simply the large components of spending are pensions, welfare, NHS and debt repayment – all of which are in structural growth.

It’s a slow burn but without a change of course we the people will simply become Brides and Grooms of the State. In 25 years the UK has broadly moved from the state sector accounting for a third of output to roughly half now. The OBR foresees that trajectory continuing and it is, for once, broadly correct, save of course for the likelihood the whole edifice would crash down under the weight of its own contradictions long before that point was reached.

Fig 14 UK OBR public sector net debt baseline projections with shocks % GDP



Source OBR

In a world of fiat currency when the West remained the paramount power it might just be possible, albeit highly undesirable, but as other blocs notably China and India are following entirely different paths if such a policy was attempted it could only lead to impoverishment and severe decline, Britain and the rest of the West (which is not far behind) would be done. Who would buy the bonds? The Chinese? No. The Russians? Hardly. The Indians? Perhaps, but not at this interest rate. Or perhaps the dear Old Lady of Threadneedle Street might print a bit more? The Florin was 80% solid silver before 1920 you know, then 50% to 1948, then, well whisper it, nickel. Next it will be Central Bank Digital Currency.

No declines are identical of course. Either meaningful inflation, currency collapse, or indenture would result. Thank you OBR for are stating the obvious, but it's not a debate the major parties are prepared to encourage, preferring incremental woe as the frog is slowly boiled.

More spending and more tax accelerate decline

No, Labour's budget will spend further on unproductive and grossly inefficient public services and tax that bit more. On the detail it's hard to say but we can be sure that already the UK's reputation as a low tax, stable rule of law jurisdiction is in tatters. A highly dangerous square for an open trading nation.

According to the [annual UBS wealth report](#) the UK will lose 500,000 millionaires by 2028 (17% its total) several times more than any other nation or Russia and China combined.

Even if this is half correct, and I can assure readers I know of many who are already off, the implications are immense. According to the left-leaning Institute of Fiscal Studies the top 1% of earners already pay 29% of all income tax revenue. Lose many of these and the choice is stark; raise tax further and increase the exodus – or do something about the reasons millionaires are leaving!

I am not going to predict what Labour will do save I believe Reeves when she implies taxes will rise by £15-20bn at least – but already taxes are at an eighty-year high and despite that the OBR still predicts long term disaster.

The situation is highly unstable. Central Banks and governments have enormous power and doubtless will fund the problem off balance sheet, just as the ECB and others do, but ultimately this is the road to ruin.

We know Labour wishes to 'take back control'. Starmer has said so. He believes Labour ministers conduct the orchestra and they believe they, through their Great British Green Bank, through their regulators, through command and control, can dictate growth.

But they know nothing of human nature. They know not that the route to prosperity is not command but trust; trusting the massively creative instinct of the people. A people, incidentally, who have been one of the largest forces for good in the world, at home and abroad through invention, discovery, art and science.

Hardly a bean of that was generated by government. Labour puts itself front and central like some all-seeing Lord. Collectively it knows virtually nothing. If Labour

ministers cared to look down past their glittering robes, they might see it is the little platoons that have made this place what it is, slowly but surely over the centuries.

Yes, Labour will build on the Conservative Government's legacy of taxing pensions, property and what they deem to be 'wealth', but all they do is further undermine the edifice. Does Communist China stand still as we encourage worklessness? Does India raise its minimum wage yet further? We live on past capital; intellectual, social and moral. It is being cast aside – propped up with monetary experimentation, taxation and debt. Ours will be the last generation to enjoy such privilege. Unless we reject it out of hand...

4. How can Britain avoid the inevitable catastrophe?

What would a good Government do?

WE HAVE SEEN how Britain is failing. Its growth rate per head has collapsed to the worst in 200 years and the country is in relative global structural decline. We have seen how the State has, over the last twenty years, come to dominate the UK growing from a third of the economy to almost half and how this underestimates the state's reach given the exponential increase in regulation.

We have seen how taxes have increased to an 80-year high but despite this the national debt has increased from around £395bn in 2000 to £2,770bn today and we have seen that the likely Labour response is to ask for yet more while feathering its own grossly inefficient public sector. We have argued this risks capital flight, further undermining growth as the UK enters a 'death loop.'

We have even seen how the OBR has done us a favour by clearly articulating that without a change of tack the state will continue to grow to Soviet levels of 60% of output and the national debt will become unsupportable.

What we have not seen is any acknowledgement from the major two parties of the unsustainability of this path; either economic or moral, nor any attempt to change tack. So, is this decline inevitable and we should just get used to it as we slowly become ants working to keep the state edifice alive, for that is the consequence of the current trajectory?

The good news is it is still saveable. Just. But only if politicians are honest about the challenges ahead and prepared to radically change direction.

Firstly the UK remains blessed with a number of world class assets. The brand is tarnished but not irrevocably so. The UK remains a global leader in many fields; notably finance, a large range of business services including legal, architecture, logistics, bio-science, niche aspects of engineering, elite education, culture, sport and arts to name but a few. These are generally growth industries with a high value added content. They need to flourish, not with the unhelpful regulation or 'guidance' from government but their own ingenuity.

Change the environment towards self-improvement

How can this be achieved? Quite simply by creating an environment where families and companies can use their instinct to succeed. Today the environment politicians create is quite the opposite.

Finance is strangled with regulation to the point where the London Stock Market is in danger of relegation, elite schools and their more modest brethren are hampered with new tax, when actually unleashing them with tax credits, not VAT, would enable them to grow reducing pressure and costs on the public education budget. Energy costs soar to three times what the average US citizen pays to meet the arbitrary goals of an ideological crusade. How can anyone plan in this environment when there is no certainty, just arbitrary big government?

The first task of a good government is to constrain the growth of the State. Spending at £42,000 a household is absurd and totally disproportionate. The extra £200bn in real terms since the lockdown must be clawed back. It is abundantly clear this excess money has gone into a black hole with, in many cases, service deterioration.

Sure, the civil service will squeal. Let it. On day one all departments should be told 10% cut forthwith. This is small beer and while naysayers will say 'it can't be done,' it can and must. Services were way better on less money previously. 10% across the board would save around £60bn or 5% of the budget as debt interest, pension obligations and other legally contractual obligations would need to be met. I would be seeking a further 10% in year 3-5 and then another.

Release the private sector and rebalance the benefit system

Second, I would encourage the private sector. Tax credits for those opting out of public services be that education, health or the like. This would create genuine competition, benefit those who wished that NHS hip operation as there would be less of a queue and raise standards. How much would this save? Hard to be sure but over time it would garner substantial sums.

Third, it is a tragedy that over nine million working age people do not seek gainful employment and it is inexplicable as to why the OBR expect that this will continue to rise. The disability budget, as an example, is projected to increase from £39bn today to £58bn by 2028.

The previous government materially increased benefits way beyond salary increases, reducing working incentive. We should be clear that benefit is a base line required for genuine need thus government should reappraise recent generous rises capping benefits to, say 2020 levels, in real terms. Coupled with this reform of both the state pension, breaking the triple lock and redefining public sector workers' future pension entitlements aligning with private sector norms would, in time, cap an unfunded pension liability currently estimated at £1.3 trillion and rising.

Social protection costs over £360bn each year, or £12,800 per household and despite near full employment continues to rise well ahead of CPI. This is unsustainable and is breaking the work ethic. Re purposing welfare payments and amending pension arrangements as described would save around £20bn pa compound.

Review past interventions

Fourth this country worked way better a generation ago than today. A good government should re-analyse each piece of legislation passed over the last decade with a presumption to repeal unless there is strong reason not to, reducing the regulatory burden.

I would bring quango's in-house making them truly accountable to parliament and budgetary and spending scrutiny. As an example do we really need to spend £750m pa on the Financial Conduct Authority whose budget and remit constantly expands? Of course not.

There are many other cost saving ideas. Perhaps one should need to be a UK citizen before 'free' entitlement to benefits, education and health? Perhaps the pull to the UK might be slightly less if people who had not contributed were not entitled to the whole spectrum of benefits citizens are?

I am in no doubt in year one we could find £60bn of near immediate savings and by year three given compounding effects and some of the changes in behaviour the savings would be well over £100bn. That's a very modest target given the rip since it started with Johnson's Government of 2019.

What do we do with all that cash? Spend in on HS3? Of course not. It is your cash and it would be entirely recycled into tax cuts.

Outrageous, impossible, disgraceful!

Well, even if a quite good government enacted my proposals it would still leave our state bigger in real terms than 2020 and tax still be the highest in 75 years. But it would be a start and it would signal hope. Out of that modest acorn, the family, the very bedrock of a stable society would flourish and growth would flow, empowering the people and also in the long term securing public services. We have so many advantages. We have done it before, once the scales are lifted from our politicians' eyes we can do it again.

About the author: Ewen Stewart is a City economist whose career has spanned over 30 years. He is director of Global Britain and a co-founder of Brexit-Watch.org.

About the publisher: Global Britain is a cross-party and non-party research body founded twenty-seven years ago to provide the positive business case for the UK to leave the European Union and published a wealth of research briefs and papers to that end. After the argument for an outward-facing, sovereign, democratic UK was won Global Britain re-committed itself to ensuring our politicians do not betray the 17.4 million Britons that voted for change, by publishing output that shows how Brexit can be best delivered.

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