

The Economic Mess that is the United Kingdom: (Elliott Clark)

In an age of a ballooning deficit and constant stagnation, you'd think that Prime Minister Keir Starmer would take serious steps to address the issues at hand. Instead, Starmer finds himself possessed by a delusion that a few well-posed words here and there about 'national renewal' and 'change' is going to usher in a new golden age. (Admittedly, this is an extremely similar approach to the one I took during New Year.)

Of course, Starmer did make a half-arsed attempt to cut government spending. In order to trim down the 10.7%^[1] of GDP per year (you read that right) that we spend on welfare, Starmer moved to dramatically cut Personal Independence Payments (PIP). Why would he target this, you might ask? PIP singularly costs £18 billion.^[2] A tremendous amount. Does this go to the genuinely vulnerable? Some of it undoubtedly does. But 42% of PIP payments go to those citing mental health as their primary condition.^[3] Issues that most of the time are unfortunately very normal. Furthermore, there has been a 190% rise in psychiatric conditions being the primary condition for PIP claims since 2019.^[4]

Pressured by the bean counters at the Civil Service, Starmer moved to reform PIP by introducing a rule where a claimant must score 4-points in a specific area in order to be eligible for the benefit, making it more difficult for those with more mild impairments to qualify. However, due to a rebellion on Labour's left, Starmer decided to backtrack on these actions, placing the measures in the chasm of policy review. With these reforms effectively vapourised, welfare spending is sure to go up, up, and up.

For the economically illiterate of you (that means you, Rachael Reeves), growth is positive for the economy. It makes a country and its people richer. This is not something that the UK population has been used to for some time. Between 2010-2019, the average rate of growth was 1.8%.^[5] This is a trend that has continued into the 2020s, where GDP per capita in July 2025 is the same as it was in the middle of 2022.^[6] These figures are pathetically low. We stand as one of the most educated countries in the world, home to pioneers and inventors, and yet the British growth engine simply splutters.

In his normal fashion, Starmer has spoken about growth at great length. He's even made a LinkedIn post about it.^[7] Yet, his words are not supported by any sort of action. Planning permission remains largely unchanged, new regulatory bodies are continuing to strangle business freedom, and the tax burden still chokes capital. If Starmer really wants something to boast about growth on his LinkedIn, he must embrace pro-growth and fast.

Britain remains rudderless. Growth and spending are not casual concerns; they are structural crises. They cannot be wished away. It is past time that the government acts this way.

^[1] Government of the United Kingdom. 2025. *Benefit Expenditure and Caseload Tables: Information and Guidance*. Department for Work and Pensions.

<https://www.gov.uk/government/publications/benefit-expenditure-and-caseload-tables-information-and-guidance>.

[2] BBC News. (2025). *Plan to freeze key disability benefit may be dropped*, 15 March. Available at: <https://www.bbc.co.uk/news/articles/cy9dgwe1q27o> [Accessed 5 August 2025].

[3] Institute for Global Change, *Charting the Trends and Costs of Declining Mental Health in the UK*, Data Decoded, 2025, <https://institute.global/insights/public-services/data-decoded-charting-the-trends-and-costs-of-declining-mental-health-in-the-uk>.

[4] Institute for Global Change, *Charting the Trends and Costs of Declining Mental Health in the UK*, Data Decoded, 2025, <https://institute.global/insights/public-services/data-decoded-charting-the-trends-and-costs-of-declining-mental-health-in-the-uk>.

[5] Office for National Statistics. *United Kingdom National Accounts: The Blue Book 2020 – National Accounts at a Glance*. July 2020. <https://www.ons.gov.uk/economy/grossdomesticproductgdp/compendium/unitedkingdomnationalaccounts/bluebook/2020/nationalaccountsataglance>

[6] Frost, David. "The Awful Truth About Labour? They're Continuity Sunak." *The Telegraph*, July 17, 2025. <https://www.telegraph.co.uk/news/2025/07/17/awful-truth-about-labour-theyre-just-continuity-sunak/>.

[7] Starmer, Keir. LinkedIn post. "Growth is our most important mission." LinkedIn, November 2024. https://www.linkedin.com/posts/keir-starmer_growth-is-our-most-important-mission-activity-7251556081229819904-wVZZ.