

Soaring spending and borrowing since 1991

I was sent this recently. I have not checked all the figures but thought it worth reproducing:

According to the ONS, in 1991, public sector employment was 5.985 million.

Now it is 5.76 million.

There has been plenty of outsourcing and contracting out over this period.

In 1991, public spending was 180 billion pounds. (central government)

This year it is projected to be 1062 billion pounds.

That is nearly six times as much.

This dwarfs inflation.

In 1991, GDP was 705 billion pounds.

It is now 2400 billion pounds or three times as much.

However the increase in GDP is dwarfed by the increase in government spending. Indeed, half of the increase is debt funded government expenditure.

In 1991, government debt was 154 billion pounds. Now it is 2200 billion pounds. 14 times more.

In 1991, spending on health was 27.5 billion pounds.

Now it is 210 billion pounds. This is EIGHT times more.

The population has increased by 10 million in that time or 20%. Mostly immigration. Half of it since 2010.

Average house prices have quadrupled.

There has been substantial inflation over those 30 years, just not in the basket of items in CPI or RPI.

Comment

The general trends outlined here are right. Real public spending has climbed substantially. This has often not resulted in productivity or quality gains. There has been substantial inflation and large flows of migrants. Government debt has soared.

The last decade since 2007 has seen a poor productivity performance, the closure of too many industrial activities and too great a growing dependence

on imports.