

This copy is for your personal, noncommercial use only. You can order presentation-ready copies for distribution to your

colleagues, clients or customers [here](#) or use the "Reprints" tool that appears next to any article. Visit www.nytreprints.com for

samples and additional information. [Order a reprint of this article now.](#)

October 14, 2011

Britain's Self-Inflicted Misery

For a year now, [Britain's](#) economy has been stuck in a vicious cycle of low growth, high unemployment and fiscal austerity. But unlike Greece, which has been forced into induced [recession](#) by misguided European Union creditors, Britain has inflicted this harmful quack cure on itself.

[Austerity was a deliberate ideological choice](#) by Prime Minister David Cameron's ruling coalition of Conservatives and Liberal Democrats, elected 17 months ago. It has failed and can be expected to keep failing. But neither party is yet prepared to acknowledge that reality and change course.

Britain's economy has barely grown since the budget cuts began taking effect late last year. The most recent quarterly figures showed the economy flat-lining, with growth at 0.1 percent.

[New figures released this week](#) reported Britain's highest jobless numbers in more than 15 years. Independent analysts expect unemployment — now 8.1 percent — to keep rising in the months ahead. The government has kept its promise to slash public-sector jobs — more than 100,000 have been lost in recent months. But its deficit-reduction policies have failed to revive the business confidence that was supposed to spur private-sector hiring.

Drastic public spending cuts were the wrong deficit-reduction strategy for the weakened British economy a year ago. And they are the wrong strategy for the faltering American economy today. Britain's unhappy experience is further evidence that radical reductions in federal spending will do

little but stifle economic recovery.

A few years of robust growth would go far toward making swollen federal deficits more manageable. But slashing government spending in an already stalled economy weakens anemic demand, leading to lost output and lost tax revenues. As revenues fall, deficit reduction requires longer, deeper spending cuts. Cut too far, too fast, and the result is not a balanced budget but a lost decade of no growth. That could now happen in Britain. And if the Republicans have their way, it could also happen here.

Austerity is a political ideology masquerading as an economic policy. It rests on a myth, impervious to facts, that portrays all government spending as wasteful and harmful, and unnecessary to the recovery. The real world is a lot more complicated. America has no need to repeat Mr. Cameron's failed experiment.



More in Opinion (1 of 20 articles)

OPEN

Op-Ed Columnist: Good News! No, Really!

[Read More »](#)