

Dorling, D. (2018) *After the Fall*: Letter in reply to Lawrence Paulson and John Lanchester, London Review of Books, Vol. 40, No.15, August 2nd, <https://www.lrb.co.uk/v40/n15/letters>

After the Fall

John Lanchester describes the lack of real structural change in the finance sector since the 2008 crash, with most measures amounting to non-change change or simply no change (LRB, 5 July). He also points out that one of the most radical policy responses, quantitative easing, may have been necessary at the time but has also been a disaster. The more than £445 billion created thus far has increased asset and property prices and boosted financial markets, but has done little to support investment in businesses that create jobs, since QE relies on the myth of the ‘trickle-down’ effect. It has thus been a huge driver of inequality. According to a report from the Bank of England, the least wealthy 10 per cent of households are estimated to have seen a marginal increase in their real wealth of around £3000 between 2006-8 and 2012-14, compared to £350,000 for the wealthiest 10 per cent.

Since the government and the Bank of England are apparently willing to experiment with radical monetary policy, why not use such tools differently? Instead of pumping money into financial markets, the government could spend it on infrastructure or green technology, or to increase household finances directly. With the right safeguards, this ‘QE for the people’ could sustainably boost the productive economy, reduce rather than increase inequality, and provide us with much needed investment. This would help make the slope of the elephant’s head in Branko Milanović’s graph a little less steep, rather than just lengthening the trunk.

Paul Delaney
Positive Money, London EC1

Lawrence Paulson mentions a recent study in the journal *BMJ Open* which estimates that because past improvements have stalled, by 2020 there will be an additional 152,000 deaths in the UK (Letters, 19 July). On 18 June the Office for National Statistics reported a further annual 5 per cent absolute rise in mortality in England. This was after they had taken into account the effects of ageing, and is in addition to the estimated 152,000.

Most of these deaths occurred before the weather turned very cold in February and, as the ONS reported, ‘influenza activity remained at medium levels throughout the whole of January and February 2018.’ On 20 March Jeremy Hunt had incorrectly stated in the House of Commons that mortality rates had ‘remained broadly stable over recent years’. As his error became widely apparent, he sanctioned an inquiry by Public Health England. No deadline has been set for the inquiry’s report.

Danny Dorling
Oxford