Leaders | Not your bond

Markets are waking up to the rich world's reckless borrowing

Governments are still, alas, asleep

Sep 17th 2026 | 4 min read

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Since 2000 net government debt in America and Britain has tripled as a share of GDP. In France and Japan, it has doubled. The pile keeps growing: seldom outside wartime or recessions have rich-world deficits been higher than they are today.

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In October 2025 *The Economist* calculated that if America and Britain had to immediately refinance all their debts at prevailing five-year bond yields, they would each need higher taxes or spending cuts worth 2.3% of GDP just to stop debt from rising as a share of the economy. Today, with yields higher, the number in America has more than doubled, to 4.7%. In Britain it has risen to 2.7% even though the government has tightened its belt. France's adjustment stands at 3.9% of GDP, up from 3.1% a year ago.