**BBC Sounds - Understand: the economy**

[Understand - The Economy - The Economy: 6. Recessions - BBC Sounds](https://www.bbc.co.uk/sounds/play/p0df7gzl)

**6: Recessions**

What is a recession and what causes a recession? Whether something suddenly makes you poorer or just makes you worry about becoming poorer, when you cut your spending in the shops, this affects other people and ripples through the economy. Tim Harford explains the role a government can play in pulling a country out of a recession and Cambridge University Economic Historian Victoria Bateman tells the story of one of our longest recessions that started in 1921.

Define recession.

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What proportion of GDP is made up of Consumption (Households), Investment and Government?

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Why do we have recessions? How does the multiplier effect impact on this?

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What are households likely to stop buying when a recession occurs?

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Why did British industry face a significant recession after the First World War?

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Why did the Bank of England raise interest rates in 2022? What rate are they now?

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What is the role of government in a recession?

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Read more about recessions in this BBC article:

[What is a recession and how could it affect me? - BBC News](https://www.bbc.co.uk/news/business-52986863)