

Better route to recover - the Green New Deal

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[Letters: Better routes to economic recovery](#) | [UK news](#) | [The Guardian](#)

From today's letters page in the Guardian, and unbeknownst to the Green New Deal group comes the following letter of support (my emphasis added):

In the current fragile state of the British economy, the government was right to resist demands from [budget](#) deficit fetishists for immediate cuts in public spending. But by the same logic, given the uncertainty about the prospects for economic recovery over the next few years, the government should avoid deep cuts in public spending from 2011-12 onwards ([Darling: We will cut deeper than Thatcher](#), 26 March). It makes no sense to embark on a programme of fiscal retrenchment until the process of recovery is assured. The best way to inspire public confidence in our future economic prospects is through a Green New Deal.

Public debate about [economic policy](#) in the UK is mesmerised by the budget deficit, with the three main political parties, the media and most commentators competing over the timing and severity of measures to reduce it. The dominant view is that the deficit must be cut quickly and that this will involve swingeing cuts in public expenditure and some increase in taxation. Yet output has fallen 6% below its pre-recession peak and unemployment has risen from 5% to 8% of the workforce.

The lessons of the Great Depression and John Maynard Keynes seem to have been forgotten: when private-sector spending on consumption and investment falls, public-sector spending must be increased to maintain effective demand and prevent unemployment. Current policy proposals increase the danger of a double-dip recession and a new, prolonged era of high unemployment, unused resources and human misery.

The key economic problems are not the size and sustainability of the budget deficit: they are our unsustainable way of life and the shortage of jobs, especially for young people. Most of the increase in the deficit stems from falling tax revenues and rising social security bills caused by the recession itself and will be reversed when the economy recovers. The government must, of course, maintain control over its finances,

but it should use them to inspire public confidence in our future economic prospects. On all these counts, our best hope lies in a **Green New Deal** designed to promote social justice and environmental sustainability.

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David Purdy, (University of Manchester)

Polly Toynbee (Guardian)

Ha-Joon Chang (Cambridge University)

Victoria Chick (UCL)

Susan Himmelweit (Open University)

Geoffrey Harcourt (Cambridge University)

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Malcolm Sawyer (Leeds University)

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Thanks everyone from the Green New Deal group.