

Coalition's spending plans simply don't add up - as som...

Published: January 13, 2026, 3:35 pm

The talk [in the Observer](#) and Sunday Times today is of the need for a Plan B for the UK's economy.

It is now abundantly clear that Osborne's economics aren't working: we're going to have the slowest ever recorded recovery from a recession, and that's because Osborne deliberately abandoned Labour's plans which were working, even if not perfect themselves.

Some of us have, of course, been saying this for sometime: the [Green New Deal group](#) of which I am a member (and a principal author) have been saying that an alternative strategy has been needed since July 2008 - before Lehman crashed.

And, of course I've been arguing that the tax gap needs to be closed for a long time now. Indeed, [my work for the TUC put this issue](#) onto the UK economic agenda.

As a result I was delighted with the [following letter in the Observer today](#), which I did not draft but of which I was a signatory:

Recent economic figures have shown that the government urgently needs to adopt a Plan B for the economy. As economists and academics, we know the breakneck deficit-reduction plan, based largely on spending cuts, is self-defeating even on its own terms. It will probably not manage to close the deficit in the planned time frame and the government's strategy is likely to result in a lot more pain and a lot less gain.

We believe a more effective strategy for sustainable growth would be achieved:

- through a green new deal and a focus on targeted industrial policy.*
- by clamping down on tax avoidance and evasion, as well as by raising taxes on those best able to pay*
- through real financial reform, job creation, "unsqueezing" the incomes of the majority, the empowerment of workers and a better work-life balance.*

These are the foundation of a real alternative and it is time the government adopted it.

Prof Richard Grayson, Goldsmiths, University of London; **Ian O'Shea**, emeritus prof of cultural studies, UEL; **Henning Meyer**, senior visiting fellow, LSE Global Governance; **Howard Reed**, director, Landman Economics; **Prof Geoffrey M Hodgson**, University of Hertfordshire Business School **and 47 others** (see observer.co.uk/letters)

Professor Jonathan Rutherford Middlesex University

Professor Natalie Fenton, Goldsmiths, University of London

Professor Stefano Harney, Queen Mary, University of London

Andrew Watt, Senior Researcher, European Trade Union Institute

Professor Mariana Mazzucato, (Chair in the Economics of Innovation), Open University

Professor Gregor Gall, University of Hertfordshire

Prof George Irvin, Univ of London, SOAS

Prof Peter Case, Bristol Business School

Michael Burke, Economic Consultant

Professor Marcus Miller, University of Warwick

Professor Susan Himmelweit, Open University

James Meadway, Senior economist, new economics foundation

Professor Dennis Leech, University of Warwick

Jonathan Glennie, Research Fellow, Overseas Development Institute

Stewart Lansley, Research Fellow, Bristol University

Alan Finlayson, Reader, Dept. of Political and Cultural Studies, Swansea University

Robin Murray, Senior Visiting Fellow, Global Governance, LSE

Richard Murphy, Director, Tax Research LLP

Prof. Giuseppe Fontana, Leeds University Business School

Pat Devine, University of Manchester

Prof Malcolm Sawyer, University of Leeds

Dr Paul Segal, University of Sussex

Professor Stephen Haseler, Director, Global Policy Institute

Andrew Simms, nef fellow and Green New Deal Group Member

Ruth Potts, Campaign Manager, the Great Transition

Valerie Bryson, Emerita Professor of Politics, University of Huddersfield

Mark Fisher, University of London

Dr Jonathan Perraton, University of Sheffield

Nick Isles, Managing Director of Corporate Agenda

David Purdy, Social economist now retired, formerly Head of the Department of Applied Social Science, University of Manchester

Dr. Douglas Chalmers, Glasgow Caledonian University

Sheila Dow, Emeritus Professor of Economics, University of Stirling

Barbara MacLennan, retired academic economist: Universities of York and Manchester

David Donald, Glasgow Caledonian University

Ismail Erturk, Senior Lecturer in Banking, University of Manchester

Ian Gough, Emeritus Professor, University of Bath

Colin Crouch, University of Warwick

Professor David Marquand, Oxford University

Stuart White, Jesus College, Oxford University

Professor Diane Elson, University of Essex, Chair UK Women's Budget Group

Professor Andy Danford, Bristol Business School

Professor Simon Lilley, Head of University of Leicester School of Management

Professor Stephen Linstead, University of York

Professor Adrian Sinfield, University of Edinburgh

Professor Sir Tony Atkinson, Nuffield College, Oxford

Professor Matthew Watson, University of Warwick

Professor David Bailey, Coventry University Business School

Dr Damian O'Doherty, University of Manchester

Professor Derek Braddon, Emeritus Professor of Economics, University of the West of England, Bristol

Dr. Olivier Ratle, University of the West of England, Bristol

Professor Alison Pullen, Swansea University

Professor David Knights, Bristol Business School

Dr Gregory Schwartz, University of Bath

The time for change has arrived: I'm delighted to have helped draft part of the alternative.