

## Time for Plan B

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This letter was in [today's Observer](#):

*It is now clear that plan A isn't working. Wave after wave of economic figures from HM Treasury, national and international economic institutions such as the OECD, the IFS and the IMF have all concluded that the British economy is faltering. The UK jobless total is now at its highest for more than 17 years, while growth has all but stalled.*

*We urge the government to adopt emergency and commonsense measures for a Plan B that can quickly save jobs and create new ones. A recovery plan could include reversing cuts to protect jobs in the public sector, directing quantitative easing to a green new deal to create thousands of new jobs, increasing benefits to put money into the pockets of those on lower and middle incomes and thus increase aggregate demand.*

*This could in part be paid for by the introduction of a financial transactions tax. The government could do far more to create the space for new and innovative industries and companies to flourish. One idea is a British investment bank, to leverage and back investment in low-carbon sectors such as housing, transport and renewable energy.*

*Doing nothing is not an option. We therefore call on the government to put the national interest first and hold an emergency budget that would instigate a Plan B for jobs, fairness and sustainability to rapidly get the economy moving again.*

**Dr Ha-Joon Chang**, Faculty of Economics, University of Cambridge; **Prof Sir Tony Atkinson**, Nuffield College, Oxford; **Howard Reed**, Landman Economics; **Chris Edwards**, senior fellow, economics, University of East Anglia and 96 other economists, including me.

I'm delighted to have helped draft the Plan B in question. I had a big role in drafting the tax section but other ideas I have been heavily engaged in developing including the [Green New Deal](#), the [Tax Gap](#), [Green Quantitative Easing to pay off PFI and to fund a national investment bank and pensions reform to provide ongoing capital for investment in the UK economy all](#) feature prominently in Plan B, so I offer my thanks to Compass for including these ideas in the report.

The full report is [available here](#) and the [summary here](#).