

The IMF and the need for infrastructure investment

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The IMF said in its new economic forecasts published yesterday that there is a real need for infrastructure investment in the economy because:

an increase in public infrastructure investment affects output both in the short term, by boosting aggregate demand through the fiscal multiplier and potentially crowding in private investment, and in the long term, by expanding the productive capacity of the economy with a higher infrastructure stock (p. 81).

I don't have time to explore all the impacts of this right now, except to say that this is the logic on which the Green New Deal is built.

Geoff Tily, an old friend of mine and of the Green New Deal group, [does however provide an admirable analysis on the TUC's Touchstone blog](#). Can I suggest it's worth taking a read of what he has to say there?