

## The only viable alternative macroeconomic policy there ...

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The [Innovation Forum website has an article out](#) under the heading

### **Could an innovative Green New Deal kick start 2019?**

It says:

*The history of the Green New Deal is pretty simple. Drawing on the Roosevelt New Deal of the 1930s, which arguably pulled the US out of the great depression, the concept was re-booted in the context of the 2007/9 global financial crisis and its accompanying recession.*

*At its heart, the GND was conceived as a major government-led, demand-driven, job-creating investment initiative to tackle pressing issues such as unemployment, climate change and infrastructure upgrade. Picked up by many governments, it morphed into a wider “green growth” discussion, even featuring on OECD and G20 meeting agendas.*

*As soon as some stability returned to financial markets, however, the term dropped off the political agenda, with the proponents of “mind the debt” austerity prevailing over the Roosevelt/Keynesian “kick start (to save) the economy” brigade.*

*That is, until now.*

*Over the last couple of months, the term has been given fresh impetus and relevance on both sides of the Atlantic.*

*And it concludes:*

*[There is a] virtual policy vacuum in which the renewed talk of a GND is finding resonance. While there is far from mainstream recognition yet, there is reason to believe that it could quickly gain traction — precisely because it potentially ticks all the pressing economic, society and environmental issue boxes.*

*Imagine, by way of an example, a massive pan-European project aimed at better linking EU countries with a power and communications grid that delivered an ever increasing share of renewable electricity to power business, homes and increase mobility. At the same time, investments in energy efficiency would cut heating bills and increase the quality of life. Cleaner air and fewer climate emissions would also be direct benefits.*

*Even rolled out at just a national level, investable projects such as these have the potential to quickly create jobs, boost investment and innovation in key sectors, and provide essential services more equitably.*

*At the societal level, a growing green economy would improve education and health services, and could very well put integration and migration issues into a less toxic context. A rising tide lifts all boats.*

*Clearly each country or region will need to develop its own specific GND — for industry, agriculture and so forth. The essential elements should be that policies address the current economic, social and environmental crises in an integrated, urgent and effective manner.*

*And when budgetary issues emerge, let's be clear. If shifting subsidies, providing tax incentives or printing money is needed to keep nations in any respect similar to the ones we now enjoy — in terms of physical, social and political landscapes — it will be a good investment. Inaction or wrong-headed policies will prove far more costly.*

*Business has a last chance opportunity to take a progressive position in this debate, doing good for its shareholders, customers, staff and communities. Future proofing business starts by making sure there is one.*

That's a good summary of the GND by author Paul Hohnen.

For me it was timely. I spent part of yesterday at the [\*\*Progressive Economy Forum\*\*](#), **discussing macroeconomic policy amongst other issues**. Ann Pettifor, another member of the Green New Deal group was also present. We pointed out that **if anyone was looking for a new macroeconomic policy to manage the coming economic crisis, which will happen whatever Brexit brings, then we happened to have had one for the last decade**.

**It has taken persistence, to the point of acting on pure hope and not much expectation, for a few of us to keep this idea under development during that period, when very few, as Paul Hohnen notes, paid the issue very much attention. But persistence pays off. A long time ago another member of the group said to me that in 2008 we did not plan to write the only viable post-crash macroeconomic policy that existed, but by chance we had. I happen to think that true. And it's time is coming.**