

How to pay for the Green New Deal

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The Green New Deal is a recurring theme of mine, largely because I have been involved in it from the outset as one of the authors of the original 2008 report proposing a Green New Deal.

The idea may now be popular around the world, and is seen as the platform for creating a sustainable economy by many, but it is by no means a done deal. One of the biggest perceived obstacles is cost. I suspect that investment of at least £100bn a year is required to ensure that we meet climate targets, and quite possibly more when biodiversity issues are considered as well. So the question is how might this sum be funded?

I do, of course, know that the modern money theory answer is by spending that sum into existence, and I am not disputing that. Equally, I see no way at present of gaining full political support for that approach, especially when some Green New Deal Group members, like Ann Pettifor, are vehemently opposed to MMT, even if without being able to explain why. So, I think alternative framing is required. This is what I seek to do in this video.

In it I do, in effect, argue that the government's role as the nation's preferred savings institution should be exploited.

I also argue that paying favourable interest rates on funds deposited with the state has social value.

And I argue that if savings are, as a matter of fact going to happen then it is much better that those with an MMT mindset embrace that fact and seek to engage those who save positively with the economy for great social good.

If the resulting ideas are controversial, so be it. There is a bigger battle to be won here.

<https://youtu.be/A26hLfFw7-M>