



The Q&A Ann Pettifor “We are due an environmental, financial and geopolitical crisis. What do we do to save the world?”

Ann Pettifor is a political economist whose work focuses on the global financial system, international finance and sustainable development. She is director of Prime: Policy Research in Macroeconomics, a network of economists that promotes Keynes’s monetary theory and policies, and co-founded Jubilee 2000, the worldwide campaign for debt cancellation. She is also a fellow of the New Economics Foundation. Her latest book is “The Case for the Green New Deal” (Verso).

What is the Green New Deal?

We have raised the temperature of the planet by over-producing and over-consuming. That involves burning fossil fuels to create all the goods and services we need. The Green New Deal argues that we need public authority over the monetary system if we are to manage the economic system, so that we can lower our emissions and protect the ecosystem. To manage the outputs of oil, coal and gas, we must manage the input of credit. This is done by pouring credit into the globalised markets and making it possible for people to borrow, and then spend in production and consumption.

To manage emissions we must manage the flow of credit. Right now, that is left to the invisible hand of unregulated market forces. Environmentalists typically say: our concern is with trees, water, the landscape, and with our natural system. But it’s wrong to think about emissions in isolation.

The ideas of the economist John Maynard Keynes pop up quite a bit in your book. What can we learn from him?

Keynes’s view was that if you manage the financial system, then the economic system will manage itself. He was a capitalist who thought it was really important for the public authorities to manage the financial system in the same way that they look after, say, the public sanitation system. These public systems are used collectively and so they must be regulated.

Another figure you quote at length is the 32nd US President Franklin D. Roosevelt, who enacted the New Deal in the 1930s.

The Green New Deal is modelled on Roosevelt’s work. He was a remarkable figure. When he came to power in the 1930s, the economic conditions that prevailed were quite similar to what they are today. There was a global financial system where the free market was deciding on matters like exchange rates, the value of the currency, the cost of borrowing, and whether or not money should flow in