

## **Ann Pettifor: The Case for the Green New Deal**

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**Ruth Pitt:** Hello everybody. My name's Ruth Pitt. I'm a television producer and media and culture specialist and I'm delighted to welcome today our guest Ann Pettifor, the author of *The Case for the Green New Deal*, a fascinating book. I note, written in 2019, just before all this terrible pandemic came along.

So Ann is a renowned economist and author and speaker, a specialist on all matters monetary and financial and on the UK economy. So it sounds to me Ann as though you're exactly the sort of person we need right now.

So we're going to get an insight into the arguments in your book as we go along.

I guess it is true though that the world has changed so much and actually in your book on several occasions, you do make reference to the financial system's lack of preparedness for a catastrophe that might lie ahead. So it's almost as though there was a sort of prophetic element in the book.

Would you agree with that?

**Ann Pettifor:** Well, I mean, yes, because I'm obsessed by the financial system and, and its instability, but I really didn't expect a pandemic. And I had no idea that that was coming down the line actually. There's a professor in Oxford. What is his name? Professor Goldin, Ian Goldin.

That's who it is. And he's written a book called *The Butterfly Defect* and he had actually predicted, not just that pandemic, he also argues there are more pandemics in the pipeline and this isn't the big one. So yes, no, but I mean, one just has to look at the imbalances Ruth and the instability in the international financial system in the vast amounts of debt speculation on the stock markets, people's incomes falling, to know that these things are unstable and are going to fall over at some point. Really, it doesn't take, it's not rocket science.

**Ruth Pitt:** Absolutely and you make sort of a range of arguments for how we can tackle this, be more prepared and as it were change the world by changing the financial system. Just outline for us initially, the case you make in *The Case for the Green New Deal*, because you're really talking about whole system change. Aren't you?

**Ann Pettifor:** I am indeed. And when I do talk about it, a lot of greens say, look, nothing to do with me. You know, I care about the ecosystem and my argument is actually you can't care about the ecosystem and ignore the economic system and you can't care about the ecosystem and ignore the financial system because one of the reasons why we've had this massive expansion in consumption and production is because the banks have been liberated, as they would see it, deregulated and enabled to create credit, mountains of credit, which have been turned into some productive activity, some consumption, but mainly it's turning up as debt out there, there's a huge amount of debt.

And Keynes was very clear that to manage the economy and indeed to manage the ecosystem, we have to manage the financial system. And yet, you know, his view of that and

he was primarily a monetary theorist. He was really not very interested in fiscal policy, but he said, if you fix the financial system, then everything else would fall into place more or less.

But his views were overturned massively in the 1960s and 1970s, essentially, by my view, Wall Street and the City of London who desperately wanted to get rid of all forms of regulation. And the problem with that is that money is a social construct. It's not a commodity, you know, Bitcoin is not money. It's a thing, but it's not money. Gold is not money, money originates always as just a promise to pay. You know, when I go into a coffee shop, I've got a little card, which says, this person Ann Pettifor can be trusted to pay for her coffee. And I wave the card at the machine and I put it back in my pocket.

I haven't exchanged the card for a coffee and it's a means by which I'm able to purchase a cup of coffee.

**Ruth Pitt:** It's really a sort of core tenet of society really isn't it?

**Ann Pettifor:** And we invented the system. If you go to countries in Africa where they don't have a monetary system. They don't have money and they don't have purchasing power and they can't do what we need to do, which is to transform our economy away from its addiction to fossil fuels.

Because there is no money, because they don't have a system and we've developed the social system. And in a sense, you know, I'm incredibly critical of the financial system and of the financial sector. But equally I recognize what a great civilization advance it is because it's enabled us to do what we can do.

You know, if we need to do something, we've given ourselves a mechanism to make that happen, a mechanism to enable us to undertake transactions.

**Ruth Pitt:** Well, let's just dig into that a little bit more then, because you are arguing that the financial system can be a huge force for public good.

And you make the case very persuasively that if we're going to, in a sense, save the planet, the way to start is with the financial system. And so I mean, you seem to be arguing in the book that the whole system has been appropriated by people who have a vested interest, the 1% as you describe.

And we have to seize power back from them if we're going to save the planet, because they're not going to do it voluntarily. Would that be a fair way of summing it up?

**Ann Pettifor:** I think that's very fair. The point is that our history, throughout history, since the founding of the bank of England in 1694, there have been struggles between, you know, the equivalent of the 1% and the rest of us as to whether or not this is a public good or a private good. And of course, what we call the neo-liberals the neoclassical economists, the anti-Keynesians wanted to be private. They wanted to be controlled by the private sector because they believe the private sector is more efficient, is more reliable and is more fleet of foot if you like than the old public sector. I'm arguing that it needs to be governed by public authority because it needs to embrace all of us and we all need to be beneficiaries of it. And right now, as we talk, I'm quite horrified by the fact that President Biden has a wonderful,

radical climate plan and his idea of financing it is to ask Mr. Larry Fink, who heads up a huge financial institution called BlackRock, which manages \$8.6 trillion of assets, to lend a hand to paying for this stuff, you know. And that means that the Americans wanting a more sustainable economy now have to rely on individuals, because Mr.

Fink won't do it all himself, but private individuals in that company, deciding what's important, what priority to establish, to set for any particular goal of the climate plan, and who's going to be rewarded for it and how are they going to make a profit out of it.

**Ruth Pitt:** That's a very small number of people really isn't it? Who in a sense are not motivated to tackle climate change in your view.

**Ann Pettifor:** No exactly. Because it's going to be extraordinarily expensive if you think about it, you know? Or if you think about what the Germans have done, for example, the Germans closed down their nuclear power industry. They just said, well, we're closing down the nuclear power industry. But there was a huge amount of finance involved in it.

They had to be compensated the nuclear, you know, people were sacked from their jobs. Well, you know, they had to be re-employed. So the business of sorting that to closing down a whole sector and kind of still, and rescuing the people who are embedded in it is a huge task for us now. You know, we may not want to reward the bosses of the nuclear power industry for that.

But I think we ought to, because they've set up this company, but more importantly, they've employed thousands of people and now by diktat if you like the government has decided to close it down. So we're going to want to close down the fossil fuel industries. That's going to take an awful lot of compensation and then training up of those people and preparing them for a clean energy world all of which we can do.

We have the skills, we have the intelligence, you know, we have all that. All we need is some money which makes it happen. Now, the question is, who's going to decide how much money for and who dispenses it. And so that's why it's so important.

**Ruth Pitt:** So, well, let's talk about who pays for it in a sense you say that it, it would cost a great deal to save the planet and avoid the catastrophe of global warming, but you make the point that whatever it costs, it will cost less ultimately than inaction.

I suppose the question is how do you persuade the people who are controlling the financial system at the moment that that's the case?

**Ann Pettifor:** Well, you know, frankly, I don't think they can be persuaded. I think, you know, this is, for me, this is a power struggle, and we have to, you know, me, I'm a progressive, I regard myself as a lefty and a green and all of that.

We don't like power. We don't like the ugliness of wresting power from people. And, you know, we'd like to do it all very nicely and ask them please to hand it over and be so kind as. And you know, that's, so I don't think people Wall Street, the City of London is going to voluntarily want to be regulated.

But if we think about it in terms of war, we can remember that in 1939 in the 1940s, the government took over the economy. They said we can't afford to mess around here. You

know, our security, the nation's security is under threat and we're going to have to act. To protect the nation and we don't trust the mine owners to do this.

And so that was transformed. And I like particularly the story about Roosevelt who called in the huge auto manufacturers and said to them right tomorrow, you're going to stop making cars. And they said I beg your pardon and he said either or, you know, we take it away from you. We'd like you to produce armored cars.

Because we're not going to engage in the war in Europe and they had no choice, but to accept, and the government has huge powers and levers that it can use to bring pressure to bear on these big organizations. And if I could just mention one. All of the finance sector relies heavily, heavily, very heavily on two things.

Number one, the Central Bank. Right? So if we see what's happening in America at the moment, the federal reserve is pouring up liquidity, which has been soaked up by all these big corporations. They can't believe their luck actually. They've got very, very rich through the pandemic. Similarly, here at the Bank of England, the Bank of England is spewing out liquidity as a power to create money out of thin air because it's backed by 30 million taxpayers. It's using that power to provide money finance for the system. Now it could easily argue, sorry, you can't have that access to the central bank's facilities to the Central Bank's largesse unless you do this, that and the other. And I think people would quickly come to heel on that one. And the other, the second thing is this, what very few people understand or know is that the whole of the financial system sits on collateral. So when I make a promise to pay, when I want to buy a mortgage, when I went to take out a mortgage, the bank asks me if I've got collateral and I say, yes, I've got an existing property.

And then they say, right, well, you can have an amount, your leverage amount from the basis of that collateral. And that gives me access to new finance because I've got collateral. The most valuable collateral in the world is government debt. It's more valuable than property. It's more valuable than racehorses.

It's more valuable than works of art, you know, by a Rembrandt because they know that A number one, they can draw rent from that collateral by buying up government debt. They can have a stream of income over the next 5, 10 or 30 years. But secondly, this is incredibly safe. Safer than housing in London, right?

Because house prices can go up and down. Houses can collapse and houses cannot be maintained and can fall. Governments stay where they are and their taxpayers, and that's me and you, we stay where we are and we pay our taxes every year. And we're going to for the next 5, 10, 30, even 100 years, you know, and we have done for the past 100 years.

So that's what makes this collateral so valuable and it's ours. And we don't understand that. We don't understand that we could say to the City of London and Wall Street, sorry, but you can't have our collateral, or if you want our collateral, here are the terms and conditions.

**Ruth Pitt:** You make the point very persuasively that we, the voter if you like, have immense power to change this because we could demand that our Central Banks and governments change their policies, but we don't do that. So why don't we do that? Why don't we oblige our systems to change the way they operate?

**Ann Pettifor:** Well Ruth, that is a really important point. And I'm so glad that you and I are discussing this because I think the public as a whole and women in particular, think this stuff is rocket science.

It's beyond me. It's not my world. I don't occupy that space. I'm worried about day-to-day things, you know, about getting enough income to pay the bills and so on, I leave that to the big shots and I leave that to those chaps in pinstripe suits in the City of London. And we do that because we think they're cleverer than we are.

We think they know what they're doing, and the truth is they don't most of them really. And certainly, that's true of economists you'll know from my book that I'm very rude about the economics profession, but, I think we don't understand that. And I also don't think we have the organization if you like. I personally would love to set up a, I'm too old to do this now, but a taxpayers' alliance essentially. The current taxpayers' allowance is there to make sure that the 1% pay fewer taxes. I think we should push them to one side, and we should set up a new taxpayers' alliance saying, you can only use government debt as collateral, you can only have access to our Central Bank on these conditions.

And if you don't do that, we're going to make an awful fuss and we're going to elect a new government, a different government. We could do that.

**Ruth Pitt:** It sounds very simple and very logical. So, you know, I'm challenged, I suppose, by why people don't do it, especially since there are so many lessons from history aren't there.

So you quote, you know, the Treaty of Versailles after the First World War, you know, you talk about the big financial crash in 2007 to 2009. And, you know, one would have thought at the time that the big financial systems would have learned some lessons from that, but it appears not.

**Ann Pettifor:** No, precisely because they weren't punished for their mistakes.

They weren't disciplined. And you know, it was very anti-free market because the whole ideology of the free market is that when someone takes risks and invests in something or other and makes profits or capital gains, that's their reward for taking the risk. If they take a risk and they lose and they make huge losses, well then, the market disciplines them and bankrupts them essentially.

And that is a lesson to them. And that discipline is absolutely fundamental because they learn about risk. Now in the 2007-2009 crisis people made catastrophic errors, including Mr. Larry Fink of BlackRock, and they were bailed out so that the discipline part of the free-market theory didn't apply.

And so they thought, my God, we can go on doing this because the Central Banks have just rewarded us for making these errors. Let's do more of it. I mean, I wrote a book in 2006 predicting the coming first of all, debt crisis, the publisher called it. And at the time I only did that because debt, the ratio of debt to income in the world, the global rate was just, it was such, I knew that it would never be repaid and that at some point they were going to default and the thing would fall down. You know, honestly, I was the little girl in the crowd saying the

emperor had no clothes. That was really not very, you didn't have to be very smart to get that. But...

**Ruth Pitt:** I'm sorry to interrupt.

**Ann Pettifor:** Sorry. I was just about to lose my point there. Well,

**Ruth Pitt:** I'm really just interested to get to the bottom of what we can actually do about this. Your book is about the Green New Deal. Very much a part of the UK New Deal, you know, a decade or so ago. And as I understand it, you've been an advisor to the wonderfully named Alexandria Ocasio-Cortez, who is the great proponent of the American Green New Deal.

What is the fundamental proposition in the Green New Deal that you're arguing for?

**Ann Pettifor:** Well, so the fundamental proposition is number one, we should all educate ourselves so that we understand this stuff. It's not rocket science. Number two, that the ecological system and the economic system are tightly bound together.

And to fix the one we have to fix the other. So. I mean, we had published this in 2007 and 2008 and in 2018 a group of two men from the justice Democrats arrived in Britain. There was the age of Corbyn and all of that. And they came and knocked on my door and said, look, we are proposing to put up candidates for the American primaries.

And we're really lacking a policy that could be an eye-catching policy, and we talked to them about the Green New Deal. And then when Alexandria was preparing for her primary, she'd just come out of working as a bar steward. I just helped a little bit, not very much, on drafting her Green New Deal. In the meantime, an organization called the Sunrise Movement had picked that up and run with it. And so, and it has tremendous resonance in the United States because the New Deal is well understood. Here it's a little more difficult. But what we understood from the New Deal was that we elect politicians who transformed Wall Street, subordinated Wall Street to the interest of society. And certainly, in a sense, we need politicians that will do that, but we, the public have to educate ourselves in the first place and make the demands. And so I think all of my work is aimed at especially women saying, look, the first thing that has to happen is you've got to understand what's going on.

Secondly, you then have to act and often you have to act politically. Now Ruth, I think it's important for us to say that the public has acted. The rise of populism in my view is a direct result of the failure to discipline Wall Street and the City of London after the crash, the failure to discipline and the determination to reward them while the rest of us had austerity imposed on us.

And naturally the people are mad as hell and we should not underestimate their intelligence. They know exactly what is going on. They just, in my view, don't really know how to channel that except in a very negative way, which is, you know, anti-elitism anti-government, I don't know racism. And all of that comes into it when people are angry and furious and afraid, naturally the reactions.

And I think that's a failure of if you like the economics profession and the rest of us, because people understood that there are ways in which we could challenge these guys, but in a way

that would benefit the whole of society and not just, you know, a few, then we would go after that.

**Ruth Pitt:** So if we can sort of make the best of lessons from history.

You mention the New Deal here, the American New Deal of the 1930s, which was the Roosevelt's and Keynes' initiative. That was a response to the Great Depression of the 1920s wasn't it? So, in a sense, you know, you reference austerity, that was a response to the last financial crash.

And, you know, I suppose was the complete polar opposite economic policy to what you would advocate, which is to spend out of trouble. So, how are we going to reach a compromise if you like, because it seems as though economists across the full spectrum, you're at one side of the spectrum, do you see that there is a possibility to persuade people at the other end of the spectrum to see it your way?

**Ann Pettifor:** Well, to be honest, Ruth, it's already happening actually. So when we see, for example, Rishi Sunak at the start of the pandemic, he didn't hesitate for a moment to say, we're going to have to spend, we're going to have to provide the finance for this. There is now talk about, oh dear, how do we fix this?

And I don't think they have a clear idea, but they didn't, there was no question asked. And similarly, there's a huge debate going on in the United States right now because President Biden has produced the stimulus and economists are saying, oh no, that's terribly bad, it'll be inflationary and blah. And they're saying no, last time we did too little, this time, we're better off doing much more and we'd be better off doing too much.

And that's because when we come out of the pandemic, there are going to be millions of people, unemployed. Thousands of businesses are going to go bust and you know, so that is a lot to worry about really. So the mood has changed already. And I have spent, you know, the 10 years after 2009, really campaigning hard against austerity, and now austerity has got a bit of a bad name.

And I wasn't alone of course, many others did. But so I mean the pendulum, to answer your question, Ruth, the pendulum has already swung and those people who were pro-austerity last time are being very quiet at the moment.

**Ruth Pitt:** You have to invest in certain kinds of jobs, don't you for this to have value.

And one of the main propositions in your book is that we need to create hundreds of thousands of jobs in pursuit of a greener world. You know, it's no good creating jobs, building cars, for instance, or increasing fossil fuels. So what are those jobs and how would that work? How would you dedicate in a sense the workforce to a greener economy?

**Ann Pettifor:** So there's two, before we get to that point, Ruth, I think the key point is that you need, if your government is going to spew out new credit, new promises to pay, I am of the view that at some point that does have to be repaid. There has to be a circular process, a process of equilibrium and it doesn't have to happen straight away and so on.

And what everyone says, oh, just let's raise taxes. And I say, no, the answer to the question of how do you pay for this investment in, for example, closing down fossil fuel companies is

by creating jobs, which generate income for the people in the job, as well as for shopkeepers and so on around, but also for the government, because when you've got a job, as you know, at the end of the month, you pay your taxes and the taxes go back to the government to pay for the initial investment.

And so really the best way to raise taxes is to create jobs essentially. So that's important. And then to answer your question, Ruth, in a green economy, those jobs have to be non-fossil fuel jobs. And the reason why this is so potentially important for women is that most of the work that we do is pretty green stuff.

You know, we're the world's carers on the whole, we do a lot of educating and we're very good at creative stuff like the arts and so on. None of which really needs to burn fossil fuels on a great scale. So in other words, this is going to be the service industries, the service sectors that are going to be really important in a green economy.

And we're going to have to learn to be more, self-sufficient both as individuals, as communities, and as a state, we're going to have to learn, I always say, to grow our own green beans, we no longer are going to be able to exploit the water table of Kenya. And the poor people of Kenya and their low wages, and then fly our green beans by aeroplane, across to our dinner tables, you know, 365 days a year.

That's not going to happen. And so we're going to have to learn to be more self-sufficient in food and of the things that we need. And that's the pandemic is really making that happen.

I was just going to ask you about that because quite a lot of the policies that seem to sort of accord with your proposals are actually being accelerated by the pandemic and most specifically, a kind of, a lack of globalization that, you know, it is sort of interrupting the process of globalization.

Do you think that conceivably communities across the world will go back to more localized, shorter supply chains, more localized production?

**Ann Pettifor:** I think, you know, we're going to be forced to do that. You know, air freighting all of our food around the world, air freighting, you know, toothpicks from New Zealand to Europe is all crazy stuff, really.

And that's going to have to come to an end and that's going to make us shorten the supply lines. It is already moving, leading us to deglobalize that's already happening. And the problem with that Ruth is that it can be a very reactionary process. If it's not managed fairly and properly and through international coordination, it could just become nationalism.

It could just become fascism. You know, it could be, oh, everybody, we're just looking after number one. We're just looking after the Brits or the Germans or whoever, America first, which is what Donald Trump stands for. And that's the problem. That's the reaction to the financial crisis, you know, the measured and co-operative, and in my view better reaction would have been let's work internationally to make sure that everyone is looked after. And then this is why, you know, nobody wanted to work with the WTO. And that's a huge tragedy, really, when we can't find multilateral institutions which enable us to work together to solve a problem.

And so we see what we're seeing now with vaccines there's massive protectionism and nationalism, and that's driven by monopoly patents set up by the pharmaceutical companies, you know who make. So the private sector here is if you like egging on this kind of nationalism, and that is very dangerous. So I get accused sometimes of being a bit nationalist because I talk about managing borders and I talk about being more self-sufficient, but I'm also very clear that internationalism is fundamental because, you know, greenhouse gas emissions don't respect borders. And so we do need international coordination. So the question is it can go and become very ugly and can take the form of protectionism and nationalism, or it could be managed and take the form of internationalism. And I have to say I'm quite cheered up by President Biden because he's beginning to talk about his going to convene a meeting of world leaders to talk about the climate, for example, very soon.

And, you know, not for a moment too late really.

**Ruth Pitt:** Well, while we're on the subject of the climate, obviously upcoming this year with the British leading it is COP26, the UN summit on climate change, which is taking place in Glasgow. This government is being very upbeat about it as they should, it's 10 point plan.

How confident are you that the British government will get behind some of the bigger ideas around tackling climate change? And you know, you mentioned Joe Biden as well. Do you think that he will lead that process now so that we can see that this leap of imagination might begin to happen?

**Ann Pettifor:** Yes.

I mean, I am more hopeful than I was a couple of months ago. The British government, you know, is unfortunately making all the right noises, but doing the wrong things. I mean, the British government in the year of COP26 is opening a coal mine in Cumbria. And I'm told that the man Alok Sharma his name is they've put in charge of COP26 is very angry about this, the newspapers say. And it's fair game because, you know, as, if we carry on fracking and we carry on building coal mines, we can't say that we're serious about reducing emissions and we can't play a leadership role. And so it would have to be the Americans and I think the Americans will lead this.

And it'll be a deal between the Americans and the Chinese, and both of those governments seem to me now, after a long period when the American government had lost its way, to be more committed to radical change than they were before. And then the British government is all talk at the moment and very little action.

**Ruth Pitt:** What about Europe Ann?

Where do you stand on the position Europe takes? Cause we're no longer in the EU, so Britain on this world stage is speaking in a sense for itself. What about the power of the European Union to get alongside and lead the climate change sort of shift of emphasis if you like?

**Ann Pettifor:** Well, I'm very excited by the European Green Deal. I know many people are critical of it, they're not going to put enough money into it. And you know, if we think the British are talking about coal mines, the Europeans have got a very big problem with Polish coal mines and so on.

And there's Hungary. And Poland and Hungary are both, you know, are Trumpist if you like in their ambitions and therefore have no interest in this. So the European Union has a big problem. But what I like about it is that it's because the Germans are in charge in a sense it's embedding into law the requirement to make changes amongst 27 countries. And there will be two or three countries who will drag their heels. But there'll be 22, 23, 24 that'll want to really bring about change. And that includes some of the Scandinavians, but, the Northern Europeans should I say, and also the Southern Europeans.

So the will is there, what's not there is the financing and so on, but what I like about it is that they've declared it as a goal and they're preparing to go for it. And there's so much prepared for it that they're in a sense legislating for it. Now, you know, our government has got a climate change act, but we are relying on others to reduce emissions or to reduce our emissions because of course we've exported all our missions to China.

We don't dirty our atmosphere with manufacturing anymore. We let the Chinese dirty their atmosphere with manufacturing and so on. And we're relying on that to change. And to saying, look, we're getting cleaner, we're getting cleaner because we've disposed of our toxic activities. So, yeah, no, I think there's more hope in the European Union.

Also, it's a bigger unit. They can do more, and they have more clout in the world. They had clout vis-a-vis President Trump. Now if the European Union and the Americans and China can somehow come to a deal I think something meaningful will happen. Britain is unfortunately very much on the fringes of this now, even though we're the host.

**Ruth Pitt:** Indeed, we are. We all have to, as it were, work alongside the global financial system for any of this to work and you know, you make the point that the financial organizations themselves are the ones, are the richest organizations in the world. It used to be industrialist, but now it's the financial institutions that have got all the money.

If any of this is going to work, they do have to be persuaded to radically alter their philosophy, their economics, their approach, you know, what would be the three steps to compromise that you think are achievable to make this happen?

Because you cannot carry out any of the things that you need if the financial global institutions are not behind you.

**Ann Pettifor:** Yep. So the three steps are ones that we've taken before. And that's why I so much hark back to both 1919 and to Roosevelt. And what happened there was a determination to change the international system.

So the system at the moment is such that financiers and big corporations like Apple and Amazon can operate out there beyond the reach of regulation. And they've designed the system to make it beyond the reach of regulation, democratic regulation. We've got to say, sorry, sweetheart, you got to come back.

Apple doesn't pay taxes that it should pay in the European Union. It dumps all its profits in a tax Haven, Ireland. And when the European Union took Apple to court about that, the court said, look, it's perfectly lawful for Apple to shunt its money, its profits away and not pay tax. So the law says, Apple has this ability to move the capital, wherever they wanted to, that law has to change basically.

And we have to say, no, it's not possible. And that means we're going to have to manage and I don't like to use the word control, manage capital mobility across borders, cross border mobility. And that more than anything else, that one thing it's not a compromise Ruth, I can tell you they will hate it, but it is a way of bringing the sector back down to earth, making them accountable and beginning to manage and regulate them. And instead of just leaving them out there to make, I have to tell you that I think we're due for another big financial crisis. I think the craziness on the stock market at the moment is a sign of that.

But, so number one would be to say, sorry that in order to move your money around, you know, please you've got to, we want to manage that. We don't want to control it. We don't want to bar you from doing that. We just want to manage it. And by the way, can you please pay your taxes? And that's going to make a huge difference to the nation's coffers. And then the second thing I would like to do is to say, look, money is a social construct. It's not like a commodity. You can't buy and sell it on the markets. You shouldn't be allowed to buy and sell it on the markets the way you do oil or gold or silver or whatever, because this is a social promise.

And so therefore the power to create credit, which is a power that we've given to the private banking sector, that power should also be very much more regulated. Now in the days when I was younger, it wasn't easy to get a loan to go and gamble on the stock market. Now you just have to make a phone call and the voice at the end of the line gives you access to finance. We need to regulate where credit is going to. Right now, it goes to speculation largely who wants to invest in growing windmills in Britain when you can just throw money at a property in London, sit on your butt and watch the price rise and collect the gains right?

Or you can buy government debt and sit on your butt and collect the interest. So money is going into activity, which is not productive, which is not fixing the system. So it would be capital mobility, credit creation. And what would be the third one? The third one would be to say, oh, the rate of interest.

I think the rate of interest is so important and I think it's important for greens, right? So I'm South African born. Right now, South Africa is in a terrible trouble, a terrible mess with the pandemic and so on. They need foreign money because they can't buy oil or they can't buy pharmaceuticals with a South African Rand.

So they're trying to attract these global financiers into South Africa in order to do that they're paying 8% in interest. Now back in Europe, you know, interest rates are negative. So money has been flooded towards South Africa, but to pay back 8% of interest on your huge loans means you're going to have to strip more forest, you're gonna have to mine more minerals, you're going to have to exploit the labour more than you do, you're gonna have to cut wages, you're going to do all that because you got to generate all that money you have to pay back. Now, if the interest on that was 0% or 0.5%, you could probably manage it without destroying your ecosystem and your people.

But if it's 8% you've got to grow stuff in there. It's got to be profitable enough for you to earn the 8%. So those are my three capital mobility, credit creation and the rate of interest we manage that and the system will be being very polite and kind to us all.

**Ruth Pitt:** That's a very interesting way of putting it. So in a sense, you shouldn't be using money to make money. You should be using money for public good. And I note in your book,

you quote several times Greta Thunberg and you quote her saying that we should be doing cathedral thinking. So we've got to build the foundations before we perhaps quite know what the roof's going to look like. As a final thought, you know, how far up the building of the cathedral do you think we are at the moment?

**Ann Pettifor:** Well, I think we're at the stage where we're still training apprentices really. And, but I love that quote because I think it's terrible, but we are so engrossed in the day-to-day we're so engrossed in the immediate crisis.

We forget and when you think about the international financial system, it's like a cathedral and we're like the peasants arriving at the cathedral and looking up at all of that and saying, oh, it is beyond me, but it's amazing, it must be God, you know, and it isn't. But for us to rebuild that cathedral and make it something that we can all inhabit requires us, first of all, to have a much greater understanding of the system and then to make political demands.

And we have done that already. The reason Biden got elected was that 84 million, 80 million I think it is Americans understand that we need to do something. And the Americans very interesting, despite Trump, were very clear about climate change. Everybody can see it happening. It's happening to us all around, you know, so it's the people want that they just didn't have leaders that were going to, if you like, draw up the architect's plans and enable them to do that. And that's what we need. We need leaders who can draw up architect's plans.

**Ruth Pitt:** Well, that sounds like a very positive place to end Ann. It's been great talking to you. The book is absolutely fantastic *The Case for the Green New Deal*.

**Ann Pettifor:** Ruth can I just add that I updated it in the middle of 2020, so the latest copy has got a chapter on the pandemic.

**Ruth Pitt:** That's fantastic actually, I shall have to read it again with the update. But it's a smashing book and you can order it and obviously buy it at the Ilkley bookshop. Ann it's been a pleasure talking to you. Thank you very much indeed for your time. And I look forward to seeing what you write in the post-pandemic era.

**Ann Pettifor:** Thank you so much, Ruth.

**Ruth Pitt:** Thank you.

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