

Lord Turner backs the Green New Deal

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[Government must 'green economy and create jobs' FSA chief, Adair Turner, says | Business | guardian.co.uk](#)

Lord Turner is doing an interview on Radio 4 at 10pm this evening with my Green New Deal colleague Andrew Simms of the New Economics Foundation.

And according to the Guardian:

Adair Turner, the outspoken head of the City regulator, believes that, whichever party wins the next election, the government should embark on a [tax](#) and spend programme to green the economy and create jobs.

He says

"If we have to raise taxes — and we will to some extent — we can deliberately design those to tax bad environmental things, like overuse of fossil fuels, rather than good welfare-enhancing things, like employment for people."

"There is therefore a very strong argument whenever one is in the environment of tax rises for trying to make them skewed as much as possible to things that make sense in the long-term."

He goes on to say that spending should be carefully targeted, rather than cut sharply. "In the expenditure side, obviously it is the case that some expenditures are particularly valuable at this time in the cycle, in particular ones where the leakage into imports is least.

"So, things like insulating peoples' homes [thereby] employing people from the construction industry, which has been hit particularly hard by the recession."

On the World Tonight programme, Turner will also tell Andrew Simms, of the New Economics Foundation, that when it comes to investing in the low-carbon and energy-saving technologies of tomorrow, the government may have to take a direct

role because the market cannot be relied upon to deliver what is needed.

"I don't think we should exclude the possibility ... that we may need to think about whether we need more direct, public supported or investments in low-carbon electricity generation if we find that the market isn't directly delivering that," Turner says.

"So concepts like investment banks or elements of guarantee, or particular categories of bond finance, I think are within the set of things that we should think about."

Turner's ideas chime with those of the NEF, which, with other campaigners, has been calling for a "Green New Deal", to push huge investments into renewables and energy-saving technologies, which it says would create thousands of jobs and boost tax receipts, as well as saving billions of pounds in imports of carbon energy sources, such as coal and gas.

In a report last month, the group argued that the fledgling economic recovery in Britain was supported only by low interest rates and a fiscal easing, and would tip back into recession this year (2010) if public spending is slashed in response to the government's ballooning budget deficit.

If £10bn of the Bank of England's £200bn of quantitative easing were invested in offshore wind energy, it could easily create over 100,000 new jobs, the group says.

Turner says he is concerned that the swing during the 1970s and 1980s towards the idea the private sector would always deliver outcomes better and cheaper than the public sector, which he used to agree with, had gone too far.

Turner adds that the government should avoid pursuing economic growth. "If you spend your time thinking that the most important objective of public policy is to get growth up from 1.9% to 2% and even better 2.1% we're pursuing a sort of false god.

"We're pursuing it, first of all, because if we accept that we will do things to the climate that will be harmful, but also because all the evidence shows that beyond the sort of standard of living which Britain has now achieved, extra growth does not automatically translate into human welfare and happiness."

I am of course a member of the Green New Deal group [that wrote the report referred to](#)

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I welcome Lord Turner's support.