

Time for a Green New Deal for Europe

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The following has been issued by the [Green New Deal group today](#). I am a member of that group:

"Tonight EU leaders will gather around the German Chancellor's dinner table to discuss austerity versus growth. A discussion paper **Help Save Europe With A Green New Deal** makes the case for crucial new topics and solutions to be put at the top of their menu.

Export led growth wont cut it as energy and raw material costs grow

The present emphasis on export-led growth as a key solution to the Euro crisis, whilst benefitting successful economies like Germany and China, will not be enough to enable the rest of Europe to deal with its collapsing effective demand. Simply trying to emulate export titans and expecting countries in some unspecified way to pull themselves up by their export bootstraps is not an adequate solution for most of Europe.

Whilst most of the focus is on more export-led growth, an under recognised import- led threat to the whole of European economy comes from the huge bills run up from importing fossil fuels and raw materials.

A Solution: Green New Deal for Europe

What is required is a Europe-wide Green New Deal programme to dramatically reduce the use of fossil fuels and raw materials by increasing the continents renewable energy supplies, ensuring all buildings are energy efficient and revitalising local and regional transport links. This would ensure a huge increase in domestic economic activity and eventually provide the countries of Europe with millions of jobs, vast numbers of business opportunities, substantial tax revenues and a haven for personal savings.

Regardless of whether the Euro stumbles on or breaks up, this move to a securer economic and environmental future for the nations of Europe should begin right away and should become a cornerstone of future economic policies.

Green QE for Greece: the First Down Payment

As a first step, while the Eurozone is still intact, the European Central Bank (ECB) should immediately announce a Green Quantitative Easing (QE) Emergency Programme for Greece. It has been estimated that there are more than 4 million households in Greece and so its first investment should be 9 billion Euros spent on fitting free solar panels for the occupants of one million south facing roofs in Greece, and a further 4 billion Euros to train a 'carbon army' to install energy saving measures in all Greek homes.

The ECB should then provide the necessary funding to extend this Green New Deal approach to all the Eurozone countries. The rest of Europe could introduce its own national Green QE programmes. Since QE involves a central bank getting new money into circulation by creating money and using it to buy assets, this will not increase Europe's debt levels according to the originator of the term 'quantitative easing' Professor Werner, Director of the Centre for Banking, Finance and Sustainable Development at the University of Southampton. He states that since the central bank can simply keep the assets on its balance sheet then there is no need for tax payers to pay or to expand public debt. The assets should simply stay on the central bank balance sheet.

Of course, a Green New Deal is only part of the picture to regenerate Europe. Face to face caring and wider infrastructural renewal such as housing, schools, hospitals, water and sewers systems and maintaining the local road networks will provide the backbone for a labour intensive transition for most countries. The personal care can be paid for by the state, particularly once domestic and international tax dodging are tackled. With some modest state pump priming, the majority of the funding for the rest of the infrastructure programmes can be provided by pension and insurance funds and from personal savings via bonds. The secure returns that can be earned from such investments are just what such funding sources need. The local jobs and business opportunities provided will help rebuild the tax base and allow for an eventual reduction in public debt.

In short to replace austerity with greener prosperity, Europe must shift the emphasis from export-led to domestic-led economic activity and to help achieve the latter should implement a Green New Deal across the continent, whilst cutting Europe's the massive fuel and raw material import bills."