

# Funding the Future

## We need QE, but we need the right form of QE too. That'...

Published: January 13, 2026, 1:24 pm

---

[Larry Elliott argues this morning:](#)

*Financial markets have become stimulus junkies. They crave their next fix of quantitative easing and when they don't get it they turn ugly.*

He's right, although I'm not sure he's right for the right reasons.

The world's markets need QE because banks [aren't creating enough new money by lending](#). That's because, small businesses who get the cold shoulder when the ask apart, people don't want their money. So QE has to create the money the economy needs to stay liquid instead. The [happy coincidence is that this pays off the debt the government owes at the same time](#), even if that fact is still only very reluctantly acknowledged.

The problem is, as Larry acknowledges, that the money injected is going to financial institutions and ending up being used for speculation.

There is an answer to that too: it is called [Green Quantitative Easing](#). That would inject money into the real economy instead to insulate millions of properties that aren't, to repair infrastructure and extend its life, to build new social housing we desperately need and so, of course, to create jobs.

We could do that. The question is, why don't we?