Launched today - Climate QE for Paree

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Over the summer the idea of Green Infrastructure Quantitative Easing morphed into People's Quantitative Easing and was adopted by Jeremy Corbyn in his Labour leadership bid. Much ink was spilt as a result, and the idea found some significant support, as well as what I considered to be misplaced and dogmatic opposition. The simple fact is that when there is little else left to tackle problems in our economy (which will be the case when the next recession hits the UK, as it will) then People's Quantitative Easing will be the surviving game in town which will be adopted to get us out of the hole we will then be in.

But there is more to this form of QE than that. The idea was first put forward by Colin Hines and myself, working as Finance for the Future, in 2010 to address what we felt was the urgent need for reform of the UK economy to put it on a sound and sustainable environmental basis. That work was always linked to the Green New Deal Group, of which we are members.

Now we think that the need for a specific programme of QE has arisen again. We are calling it Climate QE for Paree, and have written a report of that name in anticipation of the Paris climate change talks that happen next week.

As we say in the summary of that report:

In this briefing we suggest that a variation on both conventional quantitative easing (QE) and the form that became well known as People's Quantitative Easing during the summer of 2015 could provide the essential funding mechanism to ensure that the promises made by the world's nations to fund changes required to tackle global climate change can be fulfilled.

We explore what conventional QE is and how it works and why it has not lived up to expectations but why it does create a useful and necessary precedent for what we propose.

We then suggest that a variation on existing QE programmes, many still current, could *ensure that at least $100 billion could be put on the table to ensure that essential commitments to climate change are met by 2020.*

It is our final suggestion that the experience gained from doing this might lay the foundations for domestic Climate QE programmes in the UK, EU and elsewhere that might be the foundation for the elusive economic revival that so many countries are currently seeking in vain.

We think this is important. There may be willingness to talk climate change next week, but money is key and without it nothing will happen. No funding mechanism has yet been put on the table that can resource the necessary changes in the scale that is needed. We think Climate QE could do that, and right now the sum involved would be only 10% of the current EU ongoing QE programme.

At a time when climate change is widely considered the biggest threat to human life on earth a modest risk on Climate QE would, we suggest, be worth taking, for all our sakes.