

Time for a Green New Deal?

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All ideas have their moments. Some of them are pivotal. The trouble is knowing when those pivotal tipping points arrive.

Post Hurricane Harvey in the USA the [Green New Deal](#) is having one of its moments. [The New York Times ran an article](#) last week by Rebecca Elliott that specifically referred to the idea, saying:

Certainly, the hurricane's victims need all the help we can provide. But this historic storm, like the Great Depression, should also motivate a reconsideration of our broader social contract: a new New Deal.

Environmentalists and scholars have sometimes called this a "green New Deal" or "environmental Keynesianism." We should invest in science and public education to train the next generation of engineers who will build safer homes and infrastructure. We should expand and enhance programs that make adaptation to climate change possible for ordinary Americans, helping them to retrofit their homes or relocate to safer ground.

I, unsurprisingly, agree. As I do with this from [Martin Sandbu in the Financial Times](#), also last week:

The deepest lesson from the Roosevelt era is that liberal centrists should wield their own radicalism lest they have radical illiberalism thrust upon them.

The programme he outlined, for money creation for public works, for a universal basic income and more, is not quite the Green New Deal, but is close to it. And the argument that radicalism has to now be a part of the mainstream response to our economic malaise is spot on.

A [letter in response](#) from Andrew Cichoki clearly understood the idea of [People's QE](#) (late of Jeremy Corbyn, but actually developed as part of the Green New Deal and, I suspect, returning to Labour sometime soon):

Sir, [G]overnments should instruct their central banks to purchase a specific portion of the debt of regional and municipal governments, and to return the interest payments afterwards. Alternatively, the central banks could purchase a greater portion of their federal government's debt on the condition that these interest-free loans be used for specific purposes such as assisting indebted regional governments, investing in the healthcare system, building new infrastructure and repairing ageing infrastructure. If reducing the borrowing costs of large corporations is considered a worthy policy goal by some central banks, then why not also include preventing the collapse of the welfare state?

And as the [Guardian has noted](#), my long preferred mechanism for raising green bonds, via local authorities who know what needs to be delivered locally, is getting more attention now:

Aberdeen city council has taken the unusual step of appointing economic advisers to assess its prospects for the bond market, as a growing number of local authorities turn to the world of high finance amid central government cuts.

Councillors in Scotland's third largest city will get advice from three experts on the state of the regional economy, and will help the panel with the annual assessment of a credit rating agency Moody's. Aberdeen is one of a handful of councils to raise money by selling bonds, raising £370m in November 2016 to help finance a £1bn capital spending programme.

I am not expecting miracles, as yet. I've been working on issues around this theme for fifteen years now and have no expectation of an overnight sensation as a result. But three things do suggest that change is likely.

First, as Harvey proved, big carbon is vulnerable to climate change in a way diversified local and renewable energy is not.

Second, robotics will not kill jobs. What innovation always creates is demand for new jobs to satisfy previously unmet need, and there is ample need to be addressed when it comes to renewable energy and all its associated infrastructure.

Third, like it or not everyone is expecting an economic downturn and no one can pretend austerity can solve a recession this time when it has still come nowhere near either solving the last one, or even meeting its own success criteria of balancing the government's budget. A programme of spending to create jobs that meet real need and that can make the economy more diverse, more energy sustainable and more local has to be the direction of travel this time.

It may not still quite be the time for the Green New Deal. But it's needed and is waiting in the wings. I strongly suspect that the call will come.