

Pollution caps and modern monetary theory

Published: January 14, 2026, 5:40 pm

Rupert Read is a philosopher at the University of East Anglia. He is a prominent Green Party campaigner and chair of the Greenhouse think tank. He's also a friend of mine.

Yesterday he left this comment in the blog, which with his permission I held over to feature in the post. His concern relates to my advocacy of fiscal stimulus within the framework of modern monetary theory:

My worry however is that your emphasis on how much fiscal freedom we have will translate into a lack of attention to ecological limits. This has been for years now my worry about the Green New Deal. See e.g. <https://rupertread.net/writings/2014/progress-beyond-growth-fetish>. And of course, this is no coincidence, as you are a key architect of the GND. It is far too easy for the Green New Deal to become in effect a pseudo-green Keynesianism that does not respect planetary etc limits. My worry is that the way you characterise MMT tends to repeat and underscore that dangerous slant.

I'd invite you to build in more eco-protection to the way you frame MMT, in future. At minimum, it ought to be plainly stated that, if your rendering of MMT is correct, and MMT is correct, then this INCREASES the premium upon Government's (and international agreements) creating hard resources- and pollution- caps, or the like.

I'd welcome your thoughts on this. (Maybe we should meet and chat about it sometime. Or, what might be more fun: maybe we should do a public debate about it!)

What can I say? First, the invitations are accepted. Ely or Norwich in the first instance, and then where?

Second, I do not think the Green New Deal is pseudo-Green Keynesianism and I suspect Caroline Lucas, Colin Hines, Tony Juniper and others in the Group would agree. It is seriously green, and about transforming the economy. That comes much higher in my priority than Keynes, who could not have imagined the world we now live in.

Third, MMT accepts physical constraints, unlike most other economics. That is one of its

merits if used properly. It is, then, capable of accommodating these concerns.

Does this require, as you say, a government to explicitly adopt pollution caps? I see no reason why not. This is a resource constraint that we know exists.

What that looks like and how it is done is, of course, open to debate, but the idea is wholly consistent, in my opinion. And that means there is common ground to work from.

And it gives MMT an advantage few others can match.