

If now isn't the time for a Green New deal, why ...

Published: January 13, 2026, 2:51 pm

Larry Elliott wrote a piece on the Green New Deal in the [Guardian on Thursday](#), when I missed it, so I will make up for that by posting it now. I seem to recall a conversation with him along the lines of this piece, not that long ago. We are co-authors of the Green New Deal. As he said:

Timing matters. Early 2020 saw an economic collapse the likes of which have not been seen in living memory. Growth has collapsed, unemployment has soared, poverty has increased.

Yet in different circumstances the past few months would have been dominated by calls for countries to do more to cut carbon emissions. As 2019 drew to an end, everybody from the managing director of the [International Monetary Fund](#) to the [governor of the Bank of England](#) was warning of the threat of global heating.

A year of floods, hurricanes and bush fires had made a strong case for action to make economies more sustainable. What was lacking was a profound shock that would make change possible. Now we've had one.

Precisely so. And as he put it:

Governments are creating, borrowing and spending money like never before in peacetime, in an attempt to mitigate the impact of the Covid-19 pandemic. They have the opportunity to reshape their economies in a way that would be consistent with preventing catastrophic increases in global temperatures.

But as he notes:

The world has been here before, though, and there is no guarantee that an opportunity proffered will be an opportunity taken. One was certainly missed at the back end of the 2000s, when the banks nearly went bust. Supporters of a [Green New Deal](#) (of whom I was one) said governments should avert the possibility of a second Great Depression by investing in decarbonisation of their economies and programmes that would put people back to work by making their homes energy-efficient.

But the world flunked it then :

There was only a brief flirtation with the idea of a Green New Deal, and the attraction of a return to business as usual proved more powerful. A [1% fall in emissions in 2009 was followed by a near 6%](#) rise in 2010 as conventional stimulus packages kicked in. The banks were bailed out; governments took fright at the size of budget deficits and imposed austerity; nothing really changed.

Surely this time it has to be different?

Things look a bit different this time. The UK economy shrank by as much in March — when there was barely more than a week of lockdown — as it did in the whole of the 2008-9 recession. April's number will be a lot worse, and recovery is going to be slow, even assuming there is no second wave of infections.

And the case for spending has been made:

What's more, it has been a case of money is no object. The UK is on course to borrow £300bn this year at dirt cheap interest rates. The Bank of England is creating money through its quantitative easing programme. The argument that a Green New Deal is unaffordable is still knocking around, but is much less powerful than it was a decade ago. Ministers can decide whether they want to do more than respond to the immediate crisis and they certainly have the power to shape the recovery by making demands of the companies they are supporting, if they choose to use it.

But that's not what they're doing:

Governments make all the right noises about sustainability, yet many of them have used the crisis as an excuse for relaxing or suspending environmental regulations in order to stimulate activity of any sort.

As Larry notes, some in the market do appreciate that now is a time for change, but he adds:

But only up to a point. For some, lockdown has provided a glimpse of what a sustainable economy might look like. For others — those who face losing their jobs in carbon-intensive sectors — that sort of future doesn't look so attractive.

He suspects that the opposition is more common than I would wish to think:

Politics reflects this tension. If parties of the left sometimes seem less enthusiastic about a GND than they might be, it is because a lot of the people who vote for them like the idea of cheap flights and rely on their old banger to pay visits to their mum. No question, any transition to a greener, more sustainable economy will have to overcome not just active opposition but passive resistance from those who would like life to return to its pre-Covid-19 crisis state.

But there is a solution:

One solution might be to trial in one of the UK's big cities — Manchester or Glasgow, say — to see whether a GND creates jobs, cuts emissions and generates a new wave of profitable environmental innovation. Opponents of change don't need to do anything; they simply need to wait for inertia to kick in. Those who want a different sort of economy need to start somewhere. And they should start with a simple question: if not now, when?

Precisely.