

The only real ESG investment is a Green New Deal

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As [the FT notes](#) this morning:

The reality of investing ethically remains complex and the burden largely falls to investors to determine what represents an ethical investment for them, experts say.

As they also noted:

The government is ... fuelling the trend, recently announcing it would launch green bonds, to be offered to retail investors through National Savings & Investments, the state-backed savings scheme.

Unfortunately, it is very unlikely that the government is really helping very much at all. It could, greatly. It is opting not to do so.

The bond that it is planning sounds timid. The interest rate is likely to be small. The green offer will be hard to follow. How the certification will work is unknown. It is as likely to be as weak as many private sector offerings, where even coal can end up in ESG funds if their S and G is ok.

There is an alternative, of course. Colin Hines and I outlined it in December 2019. Caroline Lucas welcomed it. [This was the plan.](#)

The answer is easy.

Fist, commit to a Green New Deal.

Second, change ISA and pension rules to only allow green bonds in the former and to require them as a condition of tax relief in the latter.

Make these bonds fund a Green New Deal - no iffing and butting, but the radical transformation our society needs.

Pay better than average interest rates.

Watch people queue around the block to invest.

Deliver jobs.

Deliver inter-generational solidarity.

Deliver sustainability.

It's really not hard.

Unless, of course, you want to pretend that the market can ever provide a solution to this problem, which it can't.