



# **The Green New Deal**

A Bill to make it happen

# This report is the fifth full report of the Green New Deal Group.

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Meeting since early 2007, its membership is drawn to reflect a wide range of expertise relating to economics and politics, and the climate, nature and inequality crises. The views and recommendations of the report are those of the group writing in their individual capacities.

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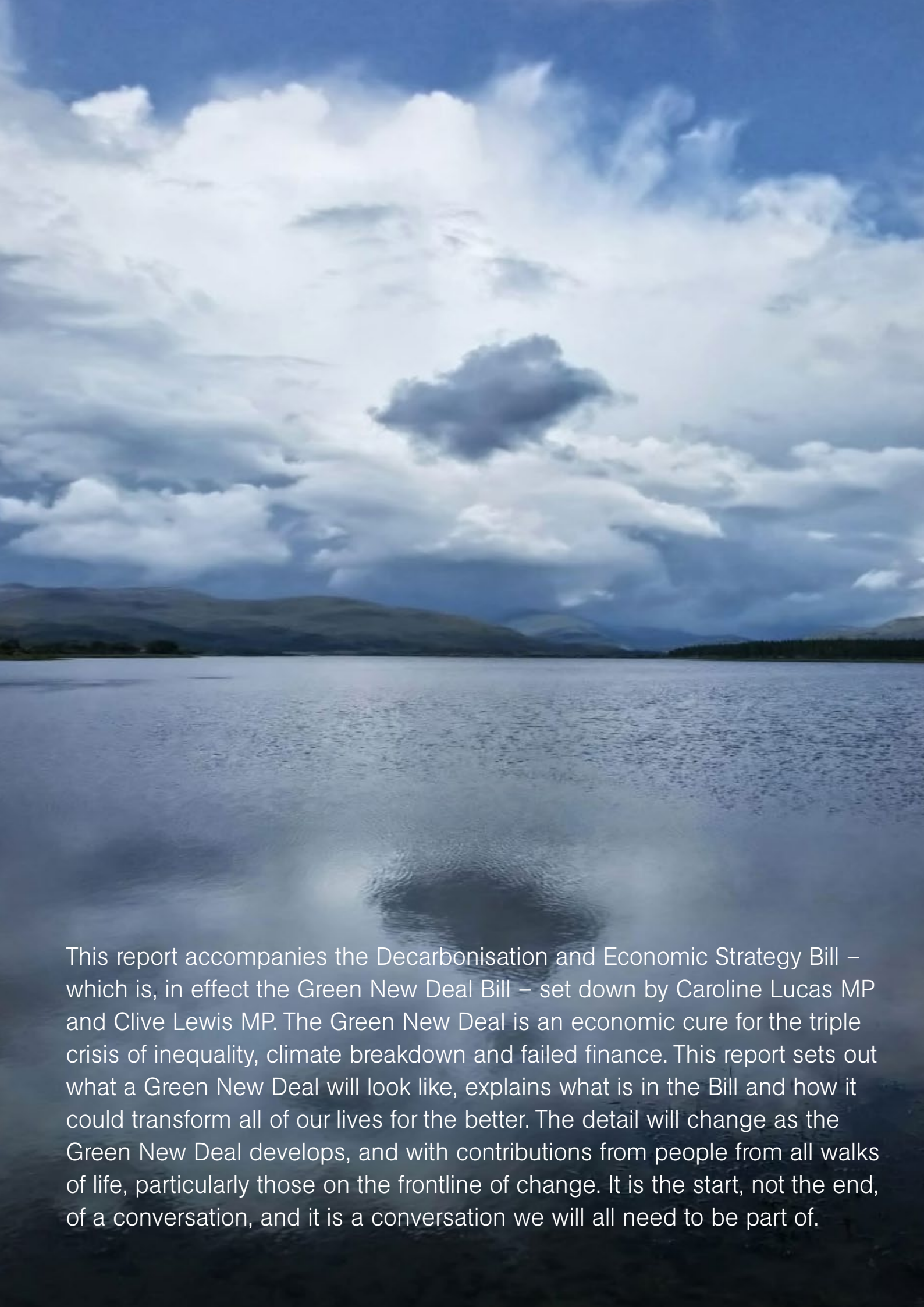
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This report accompanies the Decarbonisation and Economic Strategy Bill – which is, in effect the Green New Deal Bill – set down by Caroline Lucas MP and Clive Lewis MP. The Green New Deal is an economic cure for the triple crisis of inequality, climate breakdown and failed finance. This report sets out what a Green New Deal will look like, explains what is in the Bill and how it could transform all of our lives for the better. The detail will change as the Green New Deal develops, and with contributions from people from all walks of life, particularly those on the frontline of change. It is the start, not the end, of a conversation, and it is a conversation we will all need to be part of.

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# Foreword: Caroline Lucas MP and Clive Lewis MP

This report by the Green New Deal group UK accompanies the publication of the Decarbonisation and Economic Strategy Bill, a Bill we first tabled in March 2019, now published in full, that is designed to implement a Green New Deal for the UK.

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It is the first attempt to put in place the legislation that can make the Green New Deal a reality for this country. Our Bill lays out its scope and ambition of the Green New Deal. It places a duty on the Secretary of State to move our economy and society away from dependence on carbon and within other vital ecological limits by 2030, and every year after that, while simultaneously radically reducing social and economic inequality year-on-year. Fundamentally, the Bill lays the foundations for the changes to the way that government manages the economy that are needed to make transformation possible.

The Bill establishes a Green New Deal Commission, which will draw on the expertise across society and from every corner of the land to draw up the comprehensive, localised and detailed plan that will begin the transformation of our society and economy. The Bill also sets out our international obligations. The decarbonisation of the British economy must not come at a cost to other less affluent nations. Our historical and long-sustained responsibility for emissions means we must provide significant financial, technical and other forms of support to countries and communities in the global south. That plan, combined with the changes to the way we manage the economic system, is the Green New Deal.

Our Bill is a response and a tribute to the students and young people in the UK who have played such a critical role in bringing the climate emergency to the attention of policy makers and the public, and who are taking to the streets to call for a Green New Deal. It unites with, and complements, legislative proposals in the US, and campaigns in the US, Canada, Europe and the UK. It supports the hard and detailed work of think-tanks and civil society groups working on plans for a Green New Deal for the UK nationally, and locally.

Our climate, our society and nature are in crisis, but governments are failing to act. Rising temperatures and extreme weather create health emergencies, make areas prone to flooding, threaten livelihoods, make harvests unpredictable, and destroy jobs. Around the world people are being displaced from land that is no longer habitable, and entire economies are being destroyed. Greenland's ice shelf is melting. From the Amazon to the Arctic the world is on fire. It's not just the climate. Nature is in crisis, too.

These changes are exacerbating a parallel and linked social crisis. Inequality in pay, wealth and health in the UK is reaching US-levels,<sup>1</sup> with devastating consequences. In the UK, people with jobs are unable to feed their families, or in some cases even afford somewhere to live. For those who have jobs, their employment is increasingly insecure and unreliable. Many people are borrowing to cover basic expenses. An estimated 8.3 million people can't keep up with debts or Bills.<sup>2</sup> Secure housing is beyond the reach of many, with thousands living in conditions unfit for human habitation. In twenty-first century Britain almost a third of children live in poverty.<sup>3</sup>

None of this is a coincidence. All this damage is driven by the way that we have chosen to manage the economy which has benefitted a very tiny number of people and a few giant corporations, with the price paid by most of the rest of us, and by the planet. It is now clear that we need a bold and radical plan to rise to the challenge of



the climate and nature crises at the scale and speed that scientists say is necessary. We cannot and will not countenance economic policies that have led to 20 per cent of people in the UK living in poverty for a moment longer.<sup>4</sup> To meet these challenges, we need to transform our economy and society. Nature and our climate demand it, the people need it.

That means that we have to face up to three challenges. First, we need to transform the way the economy is managed, so that our democratically elected government, not the 'invisible hand of the market', set our future direction. With government back in the driving seat, we will be able to balance fiscal and monetary policy so that they work in tandem to stabilise and re-balance the economic system and public finances to enable both government and the private sector to invest in the transformation of our economy and society. We must also move away from chasing ever increasing economic growth as our primary goal and instead prioritise the improvement of people's health and well-being, the reduction of inequality, tackling the climate emergency, and the restoration and protection of the natural environment on which our lives and livelihoods ultimately depend.

Set free from false economic constraints demanded by financial interests that benefit the wealthy, – government will be free to work with the private sector to invest in the innovative work programme needed to transform everything from the way that we produce and consume energy, heat and cool our homes, travel, connect our towns, cities and rural areas, the way we grow the food we eat and the way we work. Such investment will create jobs and generate income, including tax revenues for government. In other words, the investment will pay for itself.

We urgently need to embark on the programme that can transform society so that it is fairer and works better for all of us without breaking the ecological systems on which we all depend. We won't be equipped with everything when we begin, but we already know more than enough to start. And it will need the contribution of every single one of us.

Ultimately, the Green New Deal must become the overarching objective of government, marshalling the resources of almost every branch of government, national and local. It will need businesses to come on board, too. Investors, small and large, will have an important role to play. We will need to think more creatively about expanding the kind of enterprises that can deliver the Green New Deal, including municipally owned enterprises, worker-owned enterprises, community-owned enterprises and co-operatives.

It will need all of us: workers, investors, creatives, volunteers, engineers, scientists, farmers and factory workers, administrators and accountants to come together in our workplaces and in our communities. The Green New Deal will need all of our skills, talents and resources to bring about the transformation of the UK. No-one will be left out. The economy and society we create together will enhance all our lives, both now, and for future generations. It will be framed and enabled nationally, but key elements will be devised and delivered locally: involving every person in the country in some way.

It will be the greatest mobilisation of people and resources ever in peacetime. It will be different to anything that has gone before and will take us somewhere new, but the Green New Deal also takes inspiration from times in the past that we have come together to transform society in profound and important ways. From President Roosevelt's New Deal in the United States, to war-time mobilisation in this country to the vast range of projects and initiatives around the world where people are already showing the lead and paving the way to a cleaner, fairer, future.

We need more legislation to unleash the full potential of the Green New Deal, but we can take action straight away. We can begin by investing immediately in steps to transform our infrastructure, while we simultaneously legislate for a Green New Deal that will restructure our economy and the finance system to enable us to support the transformation of almost every aspect of our lives, and to come together to draw up the ten-year action plan that can transform the UK. That's what our Bill seeks to facilitate. Working together, we can create a better future. For all of us, and for the planet. We have ten years. Together, let's make it happen.

# Making it happen: delivering a Green New Deal for the UK

We have written this report to accompany the Decarbonisation and Economic Strategy Bill – which is, in effect the Green New Deal Bill – set down by Caroline Lucas MP and Clive Lewis MP. We were asked to set out what a Green New Deal will look like, explain what is in the Bill and how it could transform all our lives for the better.

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The detail will change as the Green New Deal develops, and with contributions from people from all walks of life, particularly those on the frontline of change. It is the start, not the end of a conversation, and it is a conversation we will all need to be part of.

We first came together in 2007 to work on our proposal for a Green New Deal. Then the immediate crisis that faced us was a global financial system on the verge of collapse, together with an accelerating climate and resource crisis. We faced what we described as a triple crunch of a volatile and debt-ridden finance system, climate change and high and volatile oil prices. When the global finance system crashed, governments around the world acted swiftly to prop up a failed finance system. Trillions were pumped into stimulus programmes, but practical transformation in response to the climate crisis at the scale and speed needed was not forthcoming.

Much has changed since then, of course, but the core weaknesses remain. The financial crisis that began in 2007–08 is ongoing, but it is the shadow banking sector and huge asset management firms that we must bring under control now and it is vital that we do so, because through the privatisation of the world's savings, citizens are at risk. Concentrations of greenhouse gases in the atmosphere have continued to rise, and human activity has continued to push a range of the planet's vital life support system to and beyond danger levels. At the current rate of progress, we are on a trajectory to exceed 1.5 degrees of warming as early as 2030. The Paris Climate Agreement, reached in December 2015, set an ambition to limit warming to 1.5 degrees by the end of the century.

The ten wasted years, when we failed to transform our economy and society, mean that the need to rapidly reduce emissions is even more pressing than when we first proposed a comprehensive Green New Deal. An economic system based on endless credit fuelling endless emissions while flooding wealth up to those who already have most has driven us to the point of climate, ecological and social collapse. That is why we have come together with even more urgency and determination to propose a Green New Deal that will enable us to manage the transition to an economy that serves people and the planet, and away from one that – left unchecked – will destroy both.

Campaigns for a Green New Deal are taking off around the world: Sunrise Movement in the United States, the pact for a Green New Deal in Canada, the Green New Deal for Europe initiative, and the green MEPs who have been arguing for a Green New Deal for almost a decade. Labour for a Green New Deal have campaigned to put the Green New Deal front and centre of Labour Party policy. The Green New Deal has been Green Party policy since 2008 and is undergoing a revival today.

In the UK, think tanks, normally characterised by the desire to find unique solutions are uniting around the call for a Green New Deal. Common Wealth published their

comprehensive Roadmap for a Green New Deal, IPPR are publishing a series of essays with WWF and are hosting the Commission on Environmental Justice and the New Economics Foundation, publishers of our 2008 proposal for a Green New Deal have published reports on the changes needed to our finance system.

All this chimes with what people across the UK are increasingly saying they want to see. Repeated opinion polls confirm just how important action on climate change is to the British public. Two-thirds of people in the UK recognise there is a climate emergency.<sup>5</sup> Seventy-six per cent say that they would cast their vote differently to protect the planet. Six out of ten adults in the UK believe that the government is not doing enough on climate change.<sup>6</sup> They are right. Where the climate is concerned, winning slowly is the same as losing. We must act now. The climate will not wait. Neither can nor should we accept the corrosive inequality that is tearing society apart. That can't wait either.

The Green New Deal we proposed in 2008 has the same fundamental structure as the Green New Deal that we propose now, although it has evolved. The challenges we face have shape-shifted, but the fundamental issues remain the same: an out of control finance system that is driving ecological and social destruction. Placing democratic government back in the driving seat of the economy enables us to invest in the transformation of our economy and society, and to respond to the interlinked challenges of the climate and ecological crises and corrosive inequality.

There is no shortage of expertise that could help draw up the plan for rapid transition: numerous environmental groups and policy experts from across the political parties have drawn up reports detailing how the UK could rapidly decarbonise in a way that also answers pressing social challenges. The UK parliament, Scottish and Welsh governments and councils across the UK have all declared climate emergencies. In terms of practical action, many of our towns and cities have been leading the way and there are a plethora of examples we can learn from around the world.

Workers want to work in the economy of the future but need assurances that the jobs created will be good, secure, unionised jobs. Businesses want to move into new, green sectors, and investors are keen to support the transformation, but both need the confidence that can only be provided by government. The skills, ambition and potential of people across the UK knows no bounds. As we have before, we can come together to create a society that is better for all of us – but we will need bold action from government to make that possible. The Decarbonisation and Economic Strategy Bill sets out what government needs to do to unleash that potential.

**The Green New Deal group**  
**September 2019**



# Executive summary:

Momentum is growing for a comprehensive Green New Deal that will transform our economy, society, and almost every aspect of life in Britain: from the way we produce and consume energy, grow the food we eat, travel, work, and cool and heat our homes.

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Implementing the Green New Deal needs to become the overarching objective of government, nationally and locally, but it will also involve every single one of us: workers, investors, creatives, volunteers, engineers, care workers, scientists, teachers, administrators and accountants, farmers and factory workers, in our workplaces and in our communities. Working together, we can create a better future. For all of us, and for the planet.

## The Green New Deal Bill: what it is, and what it will do

The first part of the Decarbonisation and Economic Strategy Bill sets out targets to reduce emissions, restore nature, reduce inequality and increase well-being that must be met year-on-year. To do this, government will need to work with the private sector to mobilise large sums to invest in the transformation of our economy and society. The way our financial system is currently structured means that government has given away the ability to make big decisions about the availability and mobilisation of finance. The Green New Deal Bill would put people and democracy back in control of the economy, so that we can transform almost every aspect of our society and economy to respond to the climate, nature and inequality crises.

## Putting people and democracy back in control of the economy

The Green New Deal Bill sets out the framework for the radical changes to the way the financial system is managed that are needed to make the Green New Deal a reality:

- **Taking back control from the markets to open-up opportunities for change**

We're so often told that we can't spend on the things we need – like transforming society so that it is fairer, and we live within our ecological means – because the markets won't allow it. The Green New Deal would put government back in the driving seat, allowing us to invest in renewable energy, clean transport, climate-friendly farming and warm homes that would reduce inequality and pay for itself through the income and tax revenues generated by the creation of skilled, well-paid jobs. To make that possible, we will need to do what governments do in war time and bring offshore capital back onshore to make sure that government, not markets, can make the big economic decisions we need.

- **Investing in what we need**

Since the introduction of austerity, monetary policy has been expansionary, and has enriched the 1%. Fiscal policy, which benefits the public, has been contractionary. The injection of billions into the financial system has protected and increased the prices of assets owned by the wealthy, while cuts have been made to vital public services that protect the majority. Under the Green New Deal both the financial and the tax system will work together to benefit the whole

of society. This requires greater coordination between the Bank of England, the treasury and the debt management office (which issues government bonds) so that both our monetary and fiscal systems work for society, enabling us to invest in activity that prevents the breakdown of earth's life support systems on which we all depend.

- **Delivering the confidence investors are calling for**

A clear plan and government investment would give private investors the confidence they need to put resources into the Green New Deal, too. Many investors are already committed to the idea of a 'Just Transition.' The Green New Deal would provide the private sector with new opportunities, and a new, sound structural framework for investment.

- **Creating a safe future for our pensions and savings**

There is huge potential, particularly for our pension funds and savings, to invest in our futures through the transformational Green New Deal programme, while providing the returns we need now and in the future. New bonds, nationally and locally, and new pension arrangements targeted at the green renewal of our infrastructure could help bring long-term benefits to everyday savers and the country as a whole.

- **New objectives for business, and new kinds of businesses**

Businesses that are currently obliged to maximise returns to shareholders will need to take account of other stakeholders – including the ecosystem – and the impact of their activities on the climate and on communities. We will need to better regulate existing businesses and create new forms of business, too, from worker-owned co-operatives to community enterprises where many more of us have a stake in where we work.

- **Replacing our measures of progress**

The economic expansion that has driven us to the edge of disaster by exacerbating inequality and driving us to and beyond vital ecological limits can no longer be our measure of progress. Instead, we should prioritise measures that help guide us towards improvement in people's health and well-being, the reduction of inequality, tackling the climate emergency, and the restoration and protection of the natural environment on which our lives and livelihoods ultimately depend.

## An action plan to transform the UK

The other, linked, part of the Green New Deal is an action plan to transform almost every aspect of life in the UK, ending our reliance on fossil fuels, restoring nature and reversing inequality. To do this, we propose investing up to five per cent of Britain's annual GDP – or £100 billion annually for the next ten years. The key point is not the financing, but the spending of that finance. The shortage of 'shovel ready' projects casts doubt on whether those large sums could be spent immediately. We propose that the spending is tapered over several years, with £50 billion spent in year one, £75 billion in year two, rising to £100 billion a year invested for the remaining eight years. This balances the readiness of projects with the fact that in terms of the earth's life support systems, and because of the threat posed to our survival by the cumulative impact of emissions, what matters most is what we do in the near future. As the emergent challenges of actually delivering rapid transition on this timeframe become clear it is possible that an even higher level of funding could be needed – or if, as could well happen, several positive and self-reinforcing dynamics are created by the process of change lower sums would be needed. The most important point is that there is no excuse, economic or political, not to invest in a Green New Deal. Resources can be made available the results of which will be a better, more dynamic, employment rich and low carbon UK economy. Not to invest in a Green New Deal would be, in fact, to inflict great economic, environmental and social self-harm on the nation.

The Green New Deal plan will develop with time and public participation, but to begin with it includes:

- **Ensuring a 'Just Transition'**

The Green New Deal will create good, secure jobs in every corner of the country. The plan will target investment at those that need it most including communities that have suffered from decades of deindustrialisation, communities who have been excluded from full participation in the economy including women and communities of colour, communities in areas where there are high levels of underemployment and unemployment, and people working in today's high emission sectors. This worker-led 'Just Transition' is needed to redress the historic mismanagement of previous industrial change and structural inequalities in the economy, to ensure the Green New Deal works for all of us. New forms of enterprise including community, worker and municipal co-operatives would give many more of us a stake in the places we work.

- **Transforming housing and energy**

The Green New Deal will accelerate the transformation of our energy supply, create the energy infrastructure of the future, make our homes as energy efficient as possible and ensure that all new homes are zero carbon and meet social need. A '30 by 30' commitment to make every building as energy efficient as possible by 2030 fits neatly under the umbrella of the Green New Deal. This would ensure that the 29 million homes and two million commercial and public sector buildings in the UK would be made energy efficient– keeping us warm in winter, while slashing energy Bills and eliminating fuel poverty.

- **A better way to eat: farming for the future**

The Green New Deal will transform farming and food in the UK. It will decarbonise the way that we grow the food we eat, reduce food's ecosystems footprint and link food production better to public health. The Green New Deal can begin the agri-food system's transition to ecological public health. It can accelerate this transition by investing in support for the transition to agroecological farming methods, the transfer of subsidies to measures and farming methods that enhance biodiversity, and by transforming the way we produce the food we eat. Agro-ecological farming methods deliver multiple benefits. They are rich in employment, highly productive and restore ecosystem health. A network of National Park and Market Garden Cities would transform the landscape for use and beauty, while new regional colleges of food and farming; would involve both colleges of further education and the universities and be for the twenty-first century what colleges of agriculture were for the nineteenth century.

- **Creating space for nature: revitalising our ecosystems**

Human health and wellbeing are inextricably linked to nature, but we are living through a mass extinction event because of the pressure from economies on ecosystems. The Green New Deal will deliver space for nature with policies to restore habitats in urban, suburban and countryside settings. Not only will this benefit other plants and animals, but through more contact with nature bring greater wellbeing and quality of life for people. New wooded corridors running through the country would provide havens for wildlife, enhance the environment creating new places for us to work and play.

- **Getting around: walking, cycling and public transport**

A large-scale countrywide programme of transport measures would transform the way we move, making it quicker and easier to travel and would make the air we breathe cleaner, too. Investment in new rail stations, enhancements to existing stations, park and ride facilities, bus priority and cycle lanes, would get the process going. Rapidly expanding car clubs and bike hire schemes would also be transformational. Free buses, targeted fare reductions, cycle training, travel planning at schools, workplaces and stations, and personal travel advice would help transform the way the UK moves.



- **New ways to work and play**

The Green New Deal will also change the way that we work, including the possibility of a standard four-day working week, providing time for people to spend in their communities. A shorter working week would enable us to distribute paid and unpaid work more fairly, including the caring roles more often carried out by women. It would give us more time to engage with politics, reinvigorating our democracy and revitalising our villages, towns and cities.

- **Redistributing power and resources**

Although the Green New Deal must be driven by national government, the detail of the plans in many areas will be best devised and implemented locally. The Green New Deal will mean providing the power and resources for devolved governments, elected mayors and local governments to make decisions for the communities they represent relating to the Green New Deal transformation plan. Those plans will also involve local people in devising and developing those plans actively engaging them in the future of the places where they live and work.

- **Guaranteeing Global Justice**

International obligations included in the Decarbonisation and Economic Strategy Bill include promoting finance for carbon-neutral development, and the international sharing of new clean energy technologies. Export finance for fossil fuels projects would also be transferred into clean energy projects. The Green New Deal would also end the cycle of extractivism making sure that the decarbonisation of our economy isn't dependent on the extraction of resources from elsewhere.

- **Removing the barriers**

There are things a Green New Deal would need to stop immediately because they're driving us in the wrong direction. We need to stop aviation expansion; fracking; restrictions on onshore wind; and plans for new roads and high-speed train services where the money could be more effectively spent on improvements to the existing network. We must also end all subsidies to the fossil fuels we can't afford to burn in climate terms. An audit of legislation would also be needed to remove any blocks and make sure that the whole of government pulls behind efforts to rapidly decarbonise and reduce inequality.

We look forward to working with a growing range of organisations across civil society and politicians at the national and local level to make the Green New Deal a reality.



## PICTURE BRITAIN WITH A GREEN NEW DEAL

Imagine you wake up in a house where, for a moment, you forget what season it is. Why? The temperature is comfortable, even, neither too warm or too cold, there's been no nightly battle over the duvet. That's long forgotten since your home, one of millions like it in Britain, had an energy retrofit courtesy of the Green New Deal. In fact, since then, you rarely give a thought to energy Bills that once used to sting every month when the money left your account. They have become negligible. You no longer have need for gas for cooking or central heating since having a full efficiency makeover and going electric.

When you step out onto the street there's something different too. It takes an effort to remember when the road where you live was once like a tunnel of parked cars, with a constant river of noisy vehicles spewing exhaust fumes. Today it's much quieter, clearer and cleaner. But there are sounds you notice more, the conversations of neighbours paused to chat and the voices of boisterous children who you now see outside more.

The clutter of cars began to disappear as investment in proper cycling infrastructure made riding a bike safer and more attractive. At first the hyper low-emission zone for vehicles embraced ever larger areas, then a combination of buses being made free and an 'electric only' vehicle policy saw the speed of change accelerate, as the streets became less frantic and rushed. The wheeziness you once felt each day disappeared, and the incipient asthma of your neighbour's child never fully developed. In addition to the bicycle parking and street planters, many more different street trees have been planted so that once out of the house, you are more aware of the seasons and nature. Some of these changes were started by the Green New Deal and others accelerated by it.

Under new more adaptable working arrangements, you could stay at home and avoid a commute to work, using access to the latest, universal high-speed internet which is now seen as a utility guaranteed to every home. But today you're taking your laptop to the local repair café where you're also going to get your mobile phone checked. Both are several years old but with new rules on manufacturers to make products, especially electronic goods, easier to maintain upgrade culture changed utterly and people take pride in making things last as long as possible.

The repair café is on the high street which also looks very different to the time before the Green New Deal began. Back then every third or fourth shop was empty, and most of the others were the same old chain stores. There's still a few of those, but they've been joined by a library of things, where the community can borrow rather than buy a wide range of the type of stuff you don't need all the time: tools, garden implements, party equipment and all sorts. There's also a Remakery where you can learn a range of the kind of practical skills that were being forgotten. Such places have become incredibly popular as social gather places too. Public produce shops have proved popular too where fruit, salads and vegetables, from local growers, often surplus from the surge of interest in micro allotments, conventional allotments and gardening can be bought. Local public and mutual banking also returned as a consequence of some of the Green New Deal measures to compel banking to return to its beneficial public purpose.

There's time for all of this, because nothing happens in isolation. As the Green New Deal started to work through the system, increasing employment, improving air quality, boosting local economies and reducing waste and superfluous consumption, the political atmosphere changed making other things possible. Encouraged by the Green New Deal, the desire for a better Britain for everybody and a better quality of life grew. It made change easier and life better when people could choose to work less than a five-day week. This was introduced first in the public sector following long-standing and successful experience in places like the Netherlands, but quickly spread to the rest of the economy.

What made this possible was a simple redress for a long-standing inequality. Once, unearned income was enjoyed by the minority in Britain who had significant assets which went up in value, it was a case of 'to those who have shall be given'. But trials of a version of basic income scheme revealed a wide range of benefits that made economic and social sense. It released an entrepreneurial spirit benefiting micro and small business, had an array of health benefits including in overall well-being and mental health, allowed people to make other positive changes, get involved in active democracy and citizenship, in low carbon community transition projects, becoming better neighbours and improving family life. It wasn't all the result of just passing a new Bill, but the Green New Deal proved to be a catalyst that helped us all to reimagine Britain.



# The foundations: putting people and democracy back in control of the economy

The first part of the Decarbonisation and Economic Strategy Bill tabled by Caroline Lucas MP and Clive Lewis MP sets out decarbonisation and inequality objectives that must be met by the Secretary of State, year-on-year.

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It also places a duty on the Secretary of State to conduct an investigation of the way that the economy is managed, and what changes will be needed to enable us to meet those objectives. Here, we set out why those changes must be an integral part of the Green New Deal.

## An economic system that has driven us to disaster

For more than fifty years the global economy has endured frequent and recurring financial crises, debt inflations and deflations, economic slumps and booms, volatility and instability. While economic activity has expanded it has increasingly become commodified, privatised and marketised. This economic expansion (often defined as 'growth' by economists) has been driven by easy (deregulated) and costly credit; credit that is created effortlessly but demands high rates of return (interest) and is highly extractive. Deregulated credit that has been used to expand production and consumption on a global scale. This expansion has led to intensified exploitation of both people and of the earth's finite resources.

Since the 1960s, the interests of private wealth, represented by wall street and the city of London, have, by corrupting democratic political processes and enforcing financial deregulation and increased globalisation, effectively usurped the role of democratic governments in managing both the international economy, but also domestic economies. As Alan Greenspan, once governor of the us federal reserve noted, the world is now governed by markets – or more precisely, by private individuals active in global capital markets. "national security aside, it hardly makes any difference who will be the next President", he once said.<sup>7</sup> The globalised economy is now effectively governed by a small group of speculators in the private finance sector. They decide whether capital should flow in or out (with sudden stops and starts) from an economy; what the value of a nation's currency should be; what rates of interest should prevail – and which governments should be supported or attacked and destabilised.

As a result, our economies are now effectively governed by private, not public authority; the direction set by wall street and the city of London and not managed by elected, democratic governments. This has led – as the deregulated international system did in the 1920s and 30s – to political insurgencies across the world, as restless populations demand protection from the ruthless exploitation of market forces. Economies are stricken with deprivation, unemployment and under-employment, low wages coupled with obscenely high levels of wealth and levels of inequality, severe political tensions, trade wars and the rise of right-wing extremism and authoritarianism in all the major economies – in the global north and the global south. Again, as in the 1930s, there is everywhere fear of more wars – fought now with remote, sophisticated, and hugely destructive weapons.

Worse, human economic activity has reached such a scale that it has led to the degradation of the earth's, and humanity's complex life support systems: the atmosphere, oceans, land surface and diverse life forms. As the journalist George Monbiot argues, if just one of those life support systems were to fail – soils, aquifers, rainfall, ice, the pattern of winds and currents, biological diversity – life on earth could come to an end.

But things need not be this way. Our international financial system and our domestic economies can be managed and made sustainable. They need not be left to the destructive market forces unleashed by financialised capitalism. Governments, communities and individuals can all play their part in protecting and sustaining a liveable planet. But to do so we must once more regulate and manage the forces unleashed by the neoliberal ideology of Friedrich Hayek, Milton Friedman and their followers.

## Changing the boundaries of the possible

Tackling earth systems breakdown requires the kind of urgent action that governments would take in a time of war. It needs us to expand our horizons, and our sense of what is possible – what Greta Thunberg calls 'cathedral thinking'.<sup>8</sup> The Green New Deal is cathedral thinking that will not just address the climate crisis, it will treat the crisis as an opportunity to end the injustice of inequality and economic insecurity, by creating millions of jobs and a more stable and just economy.

To implement the Green New Deal – to transform the economy away from dependence on fossil fuels – the government will, for example, have to manage the transition away from oil and other fossil fuels, to prevent further global heating. Owners and shareholders of fossil fuel companies will demand compensation, and those affected by any loss of employment will have to be protected. The task will be complex, but other countries have shown what is possible. Following a decision in 2012, Germany has permanently shut down eight of its 17 reactors and pledged to close the rest by the end of 2022. As one of the world's biggest consumers of coal, Germany has also agreed to shut down all 84 of its coal-fired power plants over the next 19 years, to meet its international commitments to ending climate breakdown.<sup>9</sup> to finance that transition the German government plans to spend 40 Billion euros to mitigate the impact on coal regions.<sup>10</sup> In 2018, the Spanish government announced that it would close its remaining coal mines within a year, after an agreement was reached with unions for a 221-million-euro investment package for the mining regions combining early retirement for some miners, environmental restoration work in pit communities, and re-skilling schemes for green industries.<sup>11</sup>

## Transforming the economic system

If Britain is to undertake a similar transformation, the government will need to mobilise large sums to spend on that single, major task of ending our dependence on fossil fuels like oil as part of the wider transformation proposed in the Green New Deal. But given the way in which our current financial system is structured, decisions about the availability and mobilisation of finance will not be under the purview of the state; but will largely be in the hands of private capital market investors. Their interests are primarily to protect their own wealth and interests and that of other investors – the 1%. They have no mandate to defend and protect the public interest. The public interest, the security of the nation can only be defended by elected governments.

To manage the financial system to ensure sufficient finance is available to design and maintain a steady state economy that delivers well-being for all within ecological limits, it will be necessary for governments to do what they would do in case of war. Bring offshore capital onshore: both to manage capital flows and

ensure their stability; but also, to manage the exchange rate and interest rates as applied in the domestic economy. Above all, managing capital flows will help a government ensure taxes are not evaded by big mobile corporations.

The primary purpose of bringing offshore capital back onshore is to empower democratic governments, and ensure that they, and not markets, are in “the driving seat” when it comes to major economic policy decisions. With those economic levers managed by the state it will be much easier for governments to raise and spend the finance needed to maintain the life support systems upon which we all depend for our existence.

We know this from the experience of the original New Deal. President Roosevelt's first action as a newly inaugurated President was to suspend the gold standard – a globalised monetary system governed by private authority: effectively, wall street. Under the gold standard the United States government lost the ability to manage the exchange rate – the value of the dollar as well as other economic levers. After years of austerity under President Hoover, on the night of his inauguration in 1933, Roosevelt first ordered wall street banks and later, American citizens, to hand over gold in their possession to the us treasury. From there on the value of the currency was not going to be measured relative to bars of gold, but rather to the health of the us economy. This radical and courageous decision began the dismantling of the gold standard, which ended an era in which the international financial system had been governed by *private authority*. Once Roosevelt's administration moved into “the driving seat” it became possible to manage the exchange rate of the dollar, but also to raise the finance and undertake the government spending needed to end the massive unemployment crisis in the United States and to address its ecological crisis: the dust bowl. Given the scale of threats posed by earth systems breakdown, our government will have to act with even greater resolution.

In the United States, the 2020 presidential candidate, Bernie Sanders has pledged to tackle the climate crisis and committed to investing about \$16 trillion over fifteen years<sup>12</sup> in renewable energy, ending unemployment, supporting family farms and restoring justice for frontline communities. This is a modest amount relative to the size of the us economy which has an annual GDP (income) of about \$20 trillion. John McDonnell MP has vowed spend more relative to the size of the UK economy. Labour plans establish a ten-year £250 billion transformation fund to support the transition to green energy. In other words, the plan is to finance and spend just over one per cent of UK GBP (£25 billion) in public investment. This will be complemented by a network of regional development banks that will channel a further £250 billion of private sector savings into the transformation fund.<sup>13</sup> This is a crucial step in the right direction, although some organisations believe we could go even further. A range of organisations including Greenpeace, Islamic Relief, CAFOD and the Women's Institute have called for government spending of at least two per cent of British GDP (at least £42 billion per annum) every year for the next three years.<sup>14</sup>

Because there is so little time and the transformation needed is so urgent, we are more ambitious. We propose to transform for example our energy, transport and land use systems over the next ten years by investing up to five per cent of Britain's annual GDP – or £100 billion annually. The key point here is not the financing, but the spending of that finance. The shortage of ‘shovel ready’ projects casts doubt on whether those large sums could be spent immediately. So, we propose that the spending is tapered over several years, with £50 billion spent in year one, £75 billion in year two, rising to £100 billion a year invested for the remaining eight years. This balances the readiness of projects with the fact that in terms of the earth's life support systems, and because of the threat posed to our survival by the cumulative impact of emissions, what matters most is what we do in the near future.

As the emergent challenges of actually delivering rapid transition on this timeframe become clear it is possible that an even higher level of funding could be needed – or if, as could well happen, several positive and self-reinforcing dynamics

are created by the process of change lower sums would be needed. The most important point is that there is no excuse, economic or political, not to invest in a Green New Deal. Resources can be made available the results of which will be a better, more dynamic, employment rich and low carbon UK economy. Not to invest in a Green New Deal would be, in fact, to inflict great economic, environmental and social self-harm on the nation.

## Financing the Green New Deal

Broadly speaking, there are two sources of finance. The first is credit and the second is savings.

As we all know from the use of our credit cards, savings do not finance the spending on our card. There don't need to be any funds in our bank account before we use a credit card to spend. Instead credit is a promise to pay, and payment for the use of credit is made later when income arrives in a bank account. Savings by contrast are the surplus generated as a *consequence* of investment or employment when that activity generates income. Savings, unlike credit, do not predate spending, investment or employment. They are a consequence of economic activity.

When a government uses credit to spend, the consequence of that investment is (or should be) the creation of employment and the generation of profits for a range of enterprises. Employment generates income, investment generates profits. Both income and profits generate government tax revenues. In other words, tax revenues are a consequence of spending or investment. They do not directly finance that investment. Instead governments use income from taxation to help pay back the borrowing that financed the investment. That is why the creation of good, skilled and well-paid jobs are so important to 'balancing the books' and managing the public finances.

There are two major sources of credit. The first is the commercial banking system. The second is the central bank, the Bank of England in the UK. The commercial banking system provides credit at a 'micro' level – i.e. For individuals and firms in normal times, although in these exceptional times, this credit is increasingly provided by the central bank, too. The central bank provides credit at a 'macro' level for big institutions like banks, pension funds and insurance companies, but also indirectly, for government.

To raise the finance for the Green New Deal the government would have to access credit, but also savings. We know from the experience of the second world war that commercial banks provided credit to the government in the form of treasury deposit receipts. They could do so again to help finance the Green New Deal. But the government also has access to Bank of England credit (currently known as QE) when the central bank deliberately purchases government bonds (promises to pay) as it has done since the great financial crisis of 2007–08. (the Bank of England has purchased about £435 Billion of government bonds at very low rates of interest.<sup>15</sup> These purchases helped finance the government's borrowing and at the same time lowered rates of interest for all borrowers.)

The second source of finance for government is the nation's savings. Those individuals and institutions (like pension funds) that hold savings are keen to invest safely and for several reasons. First, to ensure the savings are available for future spending on, for example, pension payments. But savers may also want to draw down their funds immediately, as cash. Third, savers may wish to make a quick profit from their savings, and therefore to invest them in risky, speculative investments that pay higher rates.

The government could issue bonds that would meet all these requirements – short-term for cash, long-term for security, and bonds for investment in riskier activities

that issue higher rates of interest. By this means government can help channel our savings into the urgent need to transform our economy away from fossil fuels – while at the same time providing future income (interest) to savers.

## Managing the flow: co-ordination between the Bank of England, the treasury and the debt management office

Government can fund the Green New Deal, both directly and by encouraging private investment, but if we are to raise the finance needed, then we will need to transform the way in which the British financial system operates. Under recent governments, monetary policy (policy for managing the banking system, interest rates and inflation) and fiscal policy (policy for managing taxation and tax revenues) have diverged. They are conducted in opposition to each other. Monetary policy is expansionary and helps those that benefit from the Bank of England's QE, mainly the rich. Fiscal policy, which benefits the great majority that use public services, is by contrast, contractionary.

The decision to manage the system by setting monetary and fiscal policy in opposition to each other is ideological. The result is predictable: the rich have got richer since the crisis and the rest of us, the '99%', have had to endure falls in both real wages and the social wage, and declining living standards. Under the Green New Deal this situation will be transformed. Monetary and fiscal policy will work in tandem to finance and stabilise the economic system, as well as the ecosystem. This will require changes to the Bank of England's mandate, and it will require greater coordination between the treasury, the debt management office (which issues government bonds) and the Bank of England.

There will also have to be greater regulation of the banking system and support for the creation of local, community banks. Our pensions funds – in other words, the nation's savings, will be deployed in sustainable investment that will secure the future we will need to be able to guarantee, if we are to be able to draw down our pensions.

We know from the experience of Roosevelt's New Deal and from the Bretton Woods era, but also from our own history, that such a transformation of the economy is entirely possible. And thanks to the sound monetary system developed in Britain over the centuries, backed by our public institutions (the system of law and contract, the regulatory, accounting and taxation systems) we know that investment in the Green New Deal will pay for itself. As the economist John Maynard Keynes argued, what we can do, we can afford. There are limits of course, to what we can do. But within those limits we can afford what we can do. At a time of climate crisis, that must also mean that what we need to do, we can afford.

## Mobilising our pensions and savings: National and Regional Investment Banks

Further funding for the Green New Deal, including funding provided through our pension funds and savings, could be channelled into a newly created national investment bank, designed to funnel investment into the transformation of our physical and social infrastructure as well as technological research and development for the Green New Deal while rebalancing the economy away from London and the south east. The banks would be funded through a combination of green pension mechanisms, green ISAs and green bonds. A complementary network of regional investment banks could make sure that resources are available for the transformation of our cities and regions.

Other measures could be used to encourage pension funds into the Green New Deal. Each year the government provides around £50 billion as an annual subsidy



to pension saving through the income tax, corporation tax and national insurance systems.<sup>16</sup> This could be used to leverage additional investment for the Green New Deal, by adding conditions to the tax relief provided by government. One way would be to require that in exchange for those pension tax reliefs 25 per cent of all new pension contributions must be invested in funds, bonds and other investments that in turn fund the Green New Deal. These could be issued by government, local authorities or the national investment bank. Companies could also issue shares and bonds to be approved for this use. This could raise at least £20 billion a year for the Green New Deal, based on the estimated level of current contributions.<sup>17</sup>

## Changing the drivers of business

The Green New Deal Bill also includes provision for reforms to accounting and company law. In the UK the objectives of companies are legally stated by the companies act 2006. Section 172 of the act says that a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.<sup>18</sup> There are then a series of factors the director of any shareholder company is directed to “have regard to” which includes the impact of the company’s operations on the community and the environment – a clause added to the list in 2006 after years of campaigning. The opening paragraph is widely thought to endorse the idea that a company is legally bound to maximise its profits. The subsequent sub-paragraphs suggest that the directors might consider some constraints in the way that they do this, but this law has never been tested and the result is that no one knows how much consideration must be given to these other matters, including the relatively recent duty to consider people or the environment.

There is less doubt about the meaning of accounting standards. Most accounting standards are based on those produced by the International Financial Reporting Standards Foundation, based in London. What it makes clear is that all accounts of all companies and organisations, whatever their size, to which these standards and those based on them apply, are designed solely for the use of the shareholders of the entity and no other needs have to be taken into account.

The UK-based Corporate Accountability Network argues that there are six stakeholder groups who might have an interest in the accounts of any organisation. These are: the suppliers of its capital; its trading partners; its employees; regulators; tax authorities, and the people it impacts in the course of its activities.<sup>19</sup> The last group in particular would include those with environmental concern. In practice properly accounting for all those groups would inevitably mean that the whole focus of corporate reporting would have to change, and so too then would corporate behaviour because there is very strong evidence that what is reported by any organisation is what becomes important to it.

The Green New Deal Bill provides for changes to both company law and accounting to embrace the need for legally required and enforceable reporting on progress towards any company becoming carbon neutral, which will play a key role in the Green New Deal. Almost no one has addressed these issues yet, but action here will be essential.

## Changing the objectives of the economy

To secure and maintain the Green New Deal, we don’t just need to change the way that we manage the economy, we will need to change the way that we measure it, so that we are actually aiming for what we want, such as quality of life, greater equality and a healthy environment rather than just a bigger economy. That is why the Bill requires the Secretary of State to include a review of the use of GDP as a measure of well-being in their report on economic governance.

Economic indicators should work a bit like the signals and signs we rely on to find our way around transport systems – traffic lights, speed warnings, road signs, and dashboard dials – they give feedback on progress, warn of dangers and regulate the needs of multiple people. They should advise on the best way ahead, facilitate the journey from one place to another, and ensure the safe working of the system.

Most people are broadly familiar with the conventional indicators of growth, interest rates, levels of unemployment and inflation rates. We also hear a lot about productivity, savings and levels of debt. These indicators say a lot about the amount of economic activity taking place, but less about its quality, what the activity is for or even its end result. Because of that, many other indicators have been developed to measure everything from well-being to the loss of forests. These give a fuller picture of how successful an economy is being in delivering long, happy lives for its population in ways that are in harmony with the environment. We could choose to focus on specific social and ecological indicators that we want to improve including life satisfaction and happiness, real wages, poverty, inequality, free time, the emissions generated by the goods and resources we consume and the amount of resources we use.

A range of initiatives have set out to measure, and more recently budget for, well-being directly. In 2015, France<sup>20</sup> and Wales<sup>21</sup> introduced legislation that includes the statutory requirement to report to parliament regularly on the state of national wellbeing to inform policy. New Zealand introduced the world's first ever national well-being budget in 2019, directing spending directly on improving the lives of the people of New Zealand.<sup>22</sup> Finance minister Grant Robertson explained that their GDP growth was simply not translating into higher living standards or better opportunities.

Several alternative indicators adjust growth by also taking account of things ranging from the value of unpaid work and leisure time, to family breakdown, mental health, gaps between rich and poor and environmental damage. These include the measure of economic welfare, the index of sustainable economic welfare, and the measure of domestic progress. The United Nations developed the human development index, which combines indicators of life expectancy, educational attainment and income, among others into a composite index.

Another composite indicator developed by the New Economics Foundation focuses on the basic purpose of economics – how to deliver good lives for all within planetary ecological boundaries – the Happy Planet Index. It works by looking at fundamental inputs, our use of the biosphere measured by the size of our ecological footprint, and fundamental outputs, how long our lives are and their relative levels of well-being. This reveals clear global patterns. Rich countries generally do badly because they have large ecological footprints. Very low-income countries suffer low life expectancy and hence also score poorly. Central America and some parts of South America perform best overall. People there achieve relatively long and satisfied lives with moderate levels of consumption. There is huge diversity within rich countries, suggesting great room for improvement. Comparing the United States and Germany, while both countries have broadly similar levels of life expectancy and well-being, but the ecological footprint of someone in the United States is, on average, over 60 percent higher than that of someone in Germany, where people achieve their levels of well-being and life expectancy with a much smaller ecological footprint. Using different indicators like this would help to align our economic management with the fundamental purpose of the economy.

## REMOVING THE BARRIERS

The Green New Deal is needed not just to move Britain forward, but vitally to prevent it sliding backwards. As things stand, not only is the nation extremely vulnerable to the climate breakdown already locked into the system, but weak and in some cases counter-productive policies are also actively preventing our situation improving, and in a number of areas wilfully making things worse. In order to achieve the decarbonisation and economic equality objectives set out in the Bill, the Secretary of State will need to ensure that we aren't pulled in the wrong direction.

### Being pulled in the wrong direction

There are a host of areas where policy is actively in contradiction to making economic and climate progress, making current plans more of a destructive old brown deal, rather than a progressive Green New Deal. The Green New Deal would therefore not only need to invest in the transformation of the economy, but also remove the barriers to decarbonisation which include:

**Aviation expansion:** the UK already accounts for a staggering one in twelve of all flights taken globally, with 70 per cent of flights being taken by just 15 per cent of the population. But, with plans to increase the size of the UK's main airport Heathrow, aviation is set to increase in the UK by such an amount that by 2050 it will represent 40 per cent of the UK's entire carbon emissions. There has been no suggestion from the industry about which other sectors will make the disproportionately much larger cuts allowing them to do this.

**Blocking progress on the railways and wasting money on new roads:** instead of ensuring that existing rail services, especially commuter routes, are attractive, affordable, reliable and friendly to bicycle use, all things which would help persuade people out of using cars, money has been ear-marked for expensive, environmentally damaging and badly thought through projects like HS2, while local routes remain badly underfunded. A government implementing a Green New Deal would end the £56 billion HS2 project and the £15 Billion new road building programme, releasing funds for local public transport, new and upgraded regional rail networks, particularly in the midlands and the north, and making existing roads safer and more attractive to cyclists.

**Digging for climate defeat:** it is current government policy to expand fracking for fossil fuels in the UK, an especially polluting form of extraction, against the opposition of local populations, and in spite of the fact that it has been shown, from a climate perspective, that it is unsafe to burn existing known, available reserves.

**Stopping the wind turbines from turning:** onshore wind is the UK's cheapest clean, renewable energy source. But restrictive planning conditions and rules blocking UK mainland wind projects from government contracts in subsidy auctions are effectively blocking onshore winds development. Onshore wind is the most popular clean energy source with the public

**Blocking out the sun:** solar power is succeeding in spite of the government's approach which has often seen as being calculated to wreck the sector. After a period of impressive expansion, the government suddenly cut support for solar power leading to the sector going into decline. A planned rise in VAT on some types of domestic solar power from 5 to 20 per cent comes into force on 1<sup>st</sup> October 2019.<sup>23</sup>

**Preventing housing progress:** a similarly inconsistent policy approach has been taken to home insulation, something that not only lowers bills, but also stops waste and saves lives in winter. After raising the possibility of a new wave of zero carbon house building, government plans were dropped. Following the removal of incentives including grants, the number of homes being insulated also fell dramatically, exposing people to higher bills and colder homes in winter. At the current rate, the government won't meet its own fuel poverty reduction targets for 96 years.<sup>24</sup>

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- > **Dishing out dirty subsidies:** as well as promoting fracking, the government currently subsidises fossil fuels in a wide range of ways, reducing the incentive to make the transition to a modern, clean energy system. According to a European Commission report published in January 2019, the UK leads the European Union in giving subsidies to fossil fuels, providing £10.5 Billion a year in support for fossil fuels in the UK.<sup>25</sup> A government implementing a Green New Deal would end all tax breaks and other effective and *de facto* public subsidies to fossil fuel industries and energy intensive, fossil fuel dependent sectors of the British economy. Such subsidies would be redirected towards incentives to build a flexible energy network based on multi-scale renewable power generation.

### Turning things around and auditing for transition

A Green New Deal government would need to reverse the policies that are pulling the country backwards, away from becoming a model, modern low carbon, high employment economy. A Green New Deal government would also need to conduct an audit of legislation inconsistent with the achievement of the decarbonisation objectives. For example, the 1998 Petroleum Act would need to be amended, and the statutory duty to maximise extraction of remaining oil and gas removed.

Additionally, it would be necessary to cancel the thirty-second oil and gas licencing round scheduled for October 2019. As these licenses are exploratory initially, there would be little impact on employment, but there would be a huge benefit in leaving oil and gas in the ground that we can't afford to burn. A rapid green transition would then necessarily involve a planned phase-out of high-carbon industries including drilling for new oil and gas in the UK. A Just Transition through a planned Green New Deal would ensure a future for oil and gas industry workers in new renewables and other areas of a revitalised economy.<sup>26</sup>

An audit of legislation would be needed to ensure that the whole of government pulls together behind the decarbonisation and economic quality objectives placed on the Secretary of State. This will also apply to all new legislation – requiring the government to assess the climate and inequality impact, or benefits, of all new legislation, ensuring that the government is able to manage the transition towards a decarbonised, economically just, economy.



# An action plan to transform the UK

According to the Bill set down by Caroline Lucas MP and Clive Lewis MP, a Green New Deal Commission will be appointed by the Secretary of State, drawn from expertise across civil society, including expertise by experience, who will develop the plan, report regularly to government on its delivery and be responsible for amending the plan as circumstances change.

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The Bill, in outlining the Commission's task also sets out a framework for the transformational Green New Deal plan.

Caroline Lucas and Clive Lewis will be working with a range of groups to advance their parliamentary work, seeking input from people across the country to enhance and inform the Green New Deal, to make it the very best it can be.

Here we briefly explore the core elements that the plan to be drawn up by the Commission will need to cover. It draws on the work of a range of organisations and individuals, and will be further defined and developed by the input of many more people, including those at the heart of the transformation: those working in today's high emitting sectors, people living in de-industrialised areas, people who have been marginalised and excluded including communities of colour, women and those on low incomes and in insecure work.

Our infrastructure isn't fit for the future: rail lines melt in the summer, floods threaten our towns and cities, our electricity grid is hugely wasteful, our privatised transport system is overcrowded and breaks down far too often, our energy system is still too dependent on fossil fuels we can't afford to burn, our food supply is vulnerable and our homes aren't able to keep us warm in winter.

Transforming our infrastructure, so that it is fit for the future and more resilient to shocks, will revitalise and renew the public sector while also providing the private sector with the confidence that they need to invest in developing and delivering the new technologies and resources necessary for the transition. The Green New Deal will encourage a wider range of participatory forms of business including worker owned co-operatives, co-operatives, public enterprises and community-owned enterprises. Certainty for all of these enterprises will be provided by clear sectoral targets set out in the plan for the Green New Deal, and policy reform in key areas for key industries. Investment will be targeted at the communities most affected by the transition, and those who have been failed by today's economy. Regional economic development will be a particular priority, rebalancing the economy away from London and the South East.

Justice is at the heart of the Green New Deal. It will create an economy that works for all of us, through the transformation we need to move us rapidly away from a collision course with the climate and towards a system where everyone can flourish while working within unnegotiable ecological limits.



# Ensuring a ‘Just Transition’

By embarking on a programme to transform the infrastructure of the UK and rapidly decarbonise its economy, the Green New Deal will create good, secure jobs in every corner of the land.

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## Revitalising our economy: a role for everyone

The plan will prioritise de-industrialised areas, those working in today's high emissions sectors, and those who have been left behind or exploited by today's failing economy including de-industrialised communities and disadvantaged rural areas, communities of colour, migrant communities, women and young people. This worker-led ‘Just Transition’ is needed in order to redress the historic mismanagement of previous industrial change, and to ensure that the Green New Deal can improve the lives of all of us.

It is also an opportunity to transform our economy and industry for the future, as the new jobs created will demand both skills which can be transferred, as well as training and the development of new skills.<sup>27</sup> According to analysis by the Grantham Institute at the LSE, one in five jobs in the UK will be affected by the transition to a post carbon economy. Around 10 per cent of workers have skills that could be in more demand, while 10 per cent are more likely to need reskilling – but this does not mean these jobs will be lost.<sup>28</sup> There are regional differences, too, with the East Midlands, West Midlands, and Yorkshire and the Humber being the three regions with the highest proportions of jobs that could be exposed to the transition.

Research by the New Economics Foundation for the TUC shows that successful industrial transition needs to involve the people it affects directly: people need to feel secure and that they have a stake in their local area; there need to be genuine opportunities for participation in decision-making; a realistic sense of long-term opportunity and social mobility locally and there needs to be proactive positive collaboration between government, unions and businesses.<sup>29</sup> The Green New Deal will involve people in developing the plan for transition, as well as working to redress other imbalances in the economy.

## Skills, training and lifelong learning

The Green New Deal would provide funding for training and skills development for people whose jobs are affected by the transition, and for those who have been excluded from the economy. It will provide training grants and other resources for people working in today's high emissions sectors so that they can be supported in the transition to employment in the Green New Deal. Skills funding would also be devolved in order to allow local areas to meet their particular skills needs, and greater resource would be allocated where they are needed most. Resources will be particularly focussed on de-industrialised areas, communities most impacted by the transition, and people who have been from full participation in the economy. A new approach to lifelong learning would ensure that people are supported and continue to evolve throughout their working lives. Both the kind of jobs that will be created by the Green New Deal and the resource available for skills and training will not only make sure that the Green New Deal is fair, contributing to the reduction in inequality, but will also to contribute towards the rebalancing of the whole economy away from London and the South East.



## New (old) forms of enterprise

Expanding democratic forms of ownership through the Green New Deal would also contribute to a Just Transition giving people more of a stake in the transformation of our economy and society. How a company is owned vitally shapes how it operates and in whose interest. Today, most of us lack a powerful stake and a say where we work, and too many businesses focus on the pursuit of profit above all else. The consequences are damaging for workers, communities and businesses alike: stagnant wages, stark inequalities, sluggish productivity growth, weak investment rates, but runaway pay at the top and record dividends for shareholders. From co-operatives, community enterprise and employee owned firms, to institutions that can transform corporate ownership at scale, from local wealth building strategies, to citizens' wealth and ownership funds that give everyone a stake and say in the economy, we can democratise the economy.<sup>30</sup>

# Transforming housing and energy

## A new '30 by 30' plan: every building as energy efficient as possible

Not only is energy efficiency investment a low-cost way of reducing emissions, it also brings significant economic benefits. Every £1 of government investment in home energy efficiency measures could be worth as much as £3.20 to the economy and an additional £1.27 in tax revenues.<sup>31</sup> Investment in energy efficiency doesn't only add value to the economy, it also creates quality employment, would end fuel poverty for people who can't afford to heat their homes, and cut bills for households. In spite of all of these benefits, to date, government action has been woefully inadequate. Since 2012, the rate at which energy efficiency measures are being installed in UK homes has plummeted 95 per cent.<sup>32</sup> The government's target of increasing the efficiency of as many homes as possible to EPC band C by 2035 is nowhere near on track.<sup>33</sup> as the July 2019 report from the BEIS committee states, "the UK's building stock remains one of the most inefficient in Europe". A '30 by 30' commitment would require a firm political commitment and detailed programme to ensure that the around 29 million dwellings in the UK,<sup>34</sup> and around 2 million commercial and public buildings<sup>35</sup> would be made energy efficient by 2030. It would involve deep or whole house retrofit, insulating homes from top to bottom while also tackling doors, windows, roofs, floors and ceilings, fitting solar panels and upgrading energy and heating systems.

A comprehensive report<sup>36</sup> from the energy efficiency infrastructure group and climate change think-tank e3g details a comprehensive buildings energy infrastructure programme and dedicated delivery agency to achieve major energy savings and de-carbonise the UK heating supply. It sets out an initial action plan to make all homes energy efficient within 20 years, although this timeline is being shortened for an update to the report. Achieving this goal by 2030 will require the adoption of high-quality standards for retrofitting and constructing homes, area-based schemes led by local authorities retrofitting houses street by street to reduce disruption, targeting areas with high levels of fuel poverty, and accessing additional funding sources that won't raise energy Bills for low-income households and financial incentives to encourage households to take up energy-saving measures.

## Zero carbon housing to meet social need

Government investment in house building to date has created homes that are inaccessible to the majority of the population. The scrapping of zero carbon building standards means that not only are they unaffordable, they are incompatible with meeting our emissions targets. The Green New Deal will require government nationally and locally to invest in the provision of zero carbon housing to meet social need including new council housing, with support for new housing co-operatives and other forms of ownership. Other changes brought about by the Green New Deal will also help to ease the housing crisis by rebalancing economic activity away from London, and towards areas of the country where houses are currently lying vacant and could easily be retrofitted and brought back into use.

## Encouraging investment in new and existing net zero energy

When it comes to renewable energy, government action in recent years has meant that we're heading in the wrong direction, the number of jobs in renewable energy in the UK has plunged by nearly a third in recent years, and the amount of new green generating capacity by a similar amount, causing havoc among companies in the sector, according to a report by prospect, the union released in May 2019. The report found a 30 per cent drop in renewable energy jobs between 2014 and 2017,





as government cuts to incentives and support schemes started to bite, a situation that can only have been exacerbated by a treasury announcement in 2017 that there would be no new subsidies before 2025.<sup>37</sup> It also found that between 2016 and 2017, investment in UK renewables fell sharply by 56 per cent to the lowest level since 2008.<sup>38</sup> A Green New Deal would see the restoration and expansion of a range of the incentives and subsidies for the renewable energy industry in the UK, reversing the loss of jobs and creating more.

### A Green New Deal Energy Distribution Agency

The UK has some of the best renewable energy sources in the world. The islands that make up the United Kingdom, battered by wind and waves, are perfect for these energy sources. We're not as sunlit as the Mediterranean, but solar panels can generate power even on a cloudy day. New developments in battery storage mean renewable energy can be used even when it's not windy, or the sun isn't shining.<sup>39</sup> This provides an exciting opportunity for the UK to be at the forefront of technological innovation, creating jobs and driving down costs even more. An energy distribution agency could co-ordinate national and regional energy companies, suppliers and generators helping to guide the transformation of energy in the UK. The Green New Deal will examine the ownership of energy, too. There is significant public support for public ownership of energy, and because publicly and municipally-owned energy companies don't have to distribute money to shareholders they can invest back into the production of cheap, clean, energy.

### Creating the energy infrastructure of the future

Our aging electricity infrastructure is in desperate need of overhaul. We need to make it more flexible, more efficient and more adaptable. We need investment in new, smarter technologies that can regulate supply and massively reduce the amount of power lost in transition. Smart grids will allow us to make use of new forms of energy, as well as using the power we have more effectively by providing power where it is needed when it is needed. Investing in a smart grid would work

in harmony with other aspects of the Green New Deal and help us reduce the amount of power we use. Advances in storage technology will mean that storage can be used on the grid, or locally on an individual building. Hourly modelling a mix of renewables over a ten-year period by the zero carbon Britain project shows that we would produce a surplus of energy 82 per cent of the time. Smart appliances and energy storage solutions (batteries, pumped storage, heat storage, hydrogen, carbon neutral synthetic natural gas) could then be used to cover the remaining periods.<sup>40</sup>

## Institutes for innovation: Green New Deal Research Hubs

We can begin with the technology that we already have, but the Green New Deal will also provide support for engineers and scientists developing the innovations of the future. Our universities in partnership with workers, training facilities and industry can create a national network of new Green New Deal research hubs testing and delivering innovative forms of energy and energy storage that will be needed as the Green New Deal evolves. These centres can also lead on research to support the decarbonisation of industry, supporting innovation in the circular economy and transforming British manufacturing so that it is able to provide the goods we need for a post carbon future, complementing other aspects of the Green New Deal that will invest in repair and re-use. Research can also focus, for example, on developing alternatives to plastics that are not reliant on fossil fuels.



# A better way to eat: farming for the future

The Green New Deal will transform farming and food in the UK. It will decarbonise the way that we grow the food we eat, reduce food's ecosystems footprint and link food production better to public health. The Green New Deal can begin the agri-food system's transition to ecological public health.

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It can accelerate this transition by investing in support for the transition to agroecological farming methods, the transfer of subsidies to measures and farming methods that enhance biodiversity, and by linking the food we eat in the UK to better to production. Agro-ecological farming methods deliver multiple benefits. They are rich in employment, highly productive and restore ecosystem health. Shorter supply chains are needed to ensure that primary producers on land and sea receive more of the money consumers spend on food. At present, UK farmers receive only nine per cent of the value-added in the UK food system. If the money is mostly made after the farmgate, it locks farmers and growers into being dependent on subsidies, rather than growing food for direct human consumption. Growing more of our food locally and diversifying our food system will help make us more resilient to those changes in the climate and other ecosystems threats that scientists warn us are now underway.

## Sustainable consumption from sustainable food systems

The transition to a more resilient secure agri-food system would go hand in glove with a national transition to sustainable consumption. Food is one of the major drivers of ill-health in the UK. The UK diet is 50 per cent from 'ultra-processed' foods (foods that are high in fats, salt and sugar), the highest in Europe.<sup>41</sup> diet is grinding the NHS into financial crisis, when the food we eat could prevent ill-health rather than cause it.

The Green New Deal would connect human and ecosystems health, building on public concern about issues such as plastics and the throw-away culture. The NHS Eatwell guide already recommends a reduction of meat and dairy consumption and for more fish. Moving to a more plant-based diet is better for the environment, and better for health. Many people don't realise how much 'cheap' meat comes at an environmental cost. The useful role for farm animals in mixed farming and rotational land use has been subverted by intensification and enormous use of grain to feed animals. We can begin to shift from this hidden costly system of production to one based on a better match between food production for public health and for ecosystems health. A range of organisations, people and projects across the UK now recognise that this is right and are experimenting with practice and ideas that can begin the process of change.

The RSA's extensive food, farming and countryside commission recommended a range of measures to transform food and farming in the UK, all of which could be advanced under the Green New Deal.<sup>42</sup> The commission recommend a ten-year transition plan for sustainable, agro-ecological farming by 2030, supporting innovation by farmers to unleash a fourth agricultural revolution, making sure every farmer can get trusted, independent advice by training a cadre of peer mentors and farmer support networks, boosting cooperation and collaboration by extending support for producer organisations to all sectors and establishing a national agro-ecology



Photo: Nick Saltmarsh via Flickr

development bank to accelerate a fair and sustainable transition to post carbon farming.. The RSA also recommends the establishment of a new 'National Nature Service' engaging young people in the development of the regenerative economy.

## Healthier and greener

Public Health England and the Environment Agency should create new sustainable dietary guidelines which could help guide private and public sector procurement. Both are currently driven by cost-cutting rather than long-term health or public interest goals. New guidelines would introduce a national 'level playing field' which could transform the food economy of the UK. Collaborative community food plans could also help inform and implement national food strategies and meet the different needs of communities around the UK. Growing much more of the UK supply of fruit, vegetables, nuts and pulses would both increase employment and make our food system more resilient to shocks. The UK currently produces only 12 per cent of its fruit and 55 per cent of its vegetables. Both are also under-consumed, contributing to the burdens of the NHS. Reconnecting people with nature, and the food they eat, could boost health and wellbeing reducing pressure on the health service. By transforming the way that we eat, we can create a nation that is healthier and has less impact on the planet.

## A network of national park and market garden cities

The National Park City model established in London could be expanded across the UK rolling out a network of 'Market Garden Cities' for productive use as well as beauty. Groups such as Growing Communities Hackney and Cultivate London already demonstrate how urban farming can provide training and employment while also increasing the percentage of fresh affordable food that is grown close to the point of consumption. The Green New Deal would support not just schemes like this but a new regional scheme of colleges of food and farming; these would involve both colleges of further education and the universities and be for the twenty-first century what colleges of agriculture were for the nineteenth century. These would reinvigorate training, education and research on ecological public health principles.

# Creating space for nature: revitalising our ecosystems

The Green New Deal will equip us to not only rapidly and drastically reduce our impact on the ecosystems and climate, but also put in place systems that are resilient to the changes that can no longer be stopped.

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House building on flood plains and sheep grazing on uplands (rather than tree planting) both increase flood risks, as was found in Cockermouth. Some sea defences will need to be strengthened, as recognised by the national infrastructure commission. Flood defences can be strengthened. Planting trees and other native species prevents flooding and soil erosion, while also increasing biodiversity. Coastal communities and low-lying areas can be given support for measures that will enable them to respond to changes in the climate that can no longer be averted. The Green New Deal will focus on infrastructure that is climate resilient as well as climate friendly. Planning will help us account for shifts to the climate that are already underway, such as more frequent wildfires, making sure that our fire service is able to respond to new, more frequent challenges. Wildfire restoration will also be key.

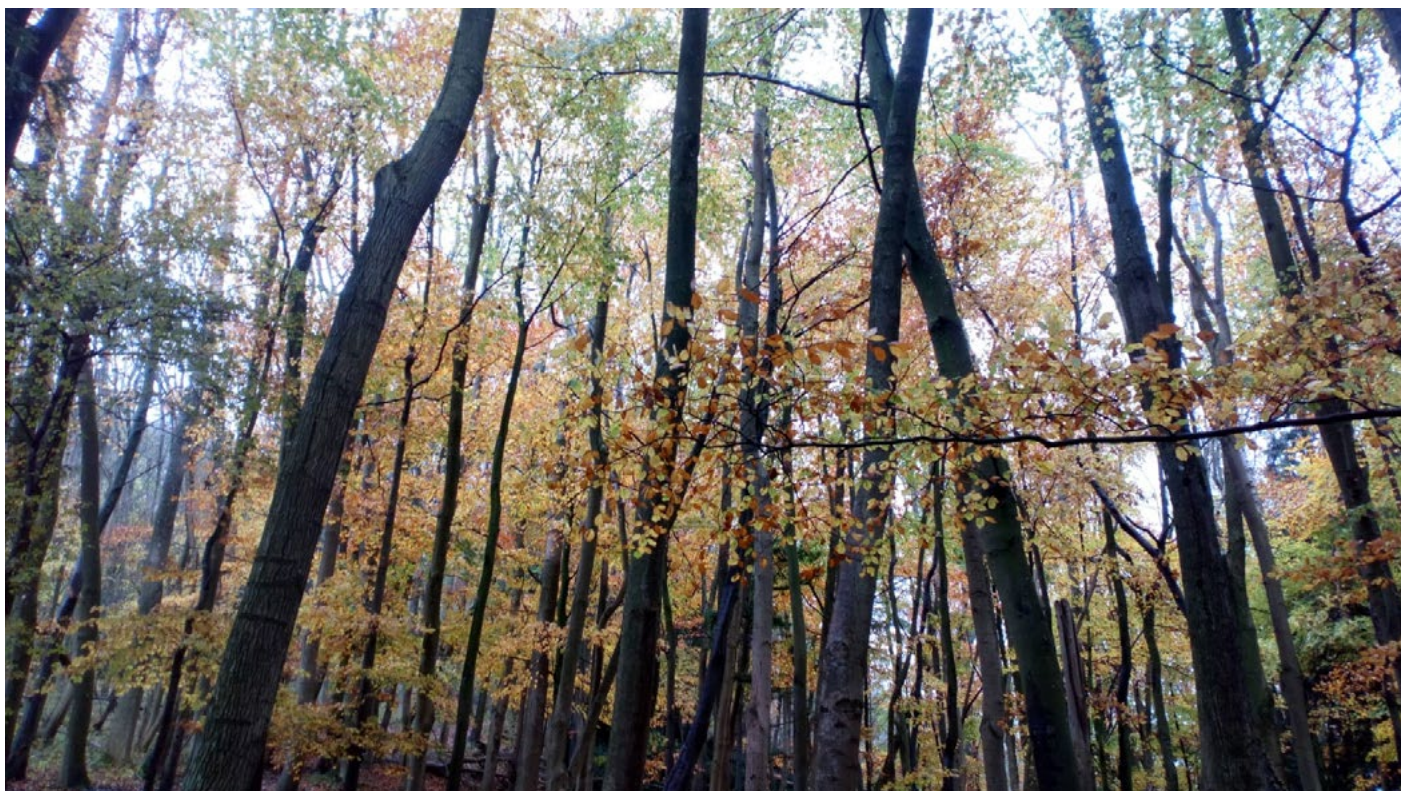
## Extending our woodlands

National policy initially treated our woodlands as 'green lungs', an antidote to industrial pollution. Now it undermines even that. We need to take nature back into urban areas, and to invest in the preservation and enhancement of wild places, and extending national parks, parks and green spaces. Reducing grain-fed meat and dairy production would be a big boost to this, too. The UK Committee on Climate Change November 2018 report on land use ahead strongly recommended an agri-food transition over the coming decades.<sup>43</sup> The IPCC's Special Report on Climate Change and Land Use published in August 2019 echoes this at global level.<sup>44</sup> Anticipating changes in agriculture, particularly in the uplands, the committee on climate change recommends a rapid large-scale increase in the UK's woodland area from the current level of around 13 per cent to 19 per cent. While this would still leave the UK as one of the least wooded countries in Europe to reach this level of woodland cover by 2060 would require the creation of almost 50,000 hectares, one third the area of London, or 75 million trees each year.<sup>45</sup> Planting trees delivers multiple benefits: carefully selected species can enhance local habitats and ecosystems. New woodland corridors running through the country would provide havens for wildlife, enhancing the environment and creating new places for work and play.<sup>46</sup> Once restored, the UK's woodlands, if carefully managed could also become a source of employment as new enterprises spring up based on small-scale production and careful woodland management.

## Re-claiming and re-wilding public land

Innovative re-wilding projects have begun to show the potential for restoring and enhancing ecosystems – but this can't be left to private landlords. The Green New Deal could also explore restoring and reclaiming public land as commons. Access to land to grow food direct for human consumption needs to be improved.





Community requisition orders in our towns and cities could transform un-used and unloved plots of land into havens for wildlife, and productive plots, in the heart of our towns and cities.

### Restoring ecosystems, absorbing carbon

Planting trees is just one way in which we can enhance and restore our ecosystems while also storing, and potentially creating a sink for, carbon. Peatlands account for around two per cent of the UK's land mass and provide around a quarter of our drinking water. They play a vital role as both sinks if they are healthy and sources where they are degraded of the greenhouse gases that are driving climate breakdown. Maintaining and restoring our peatlands, and wetlands, could play a significant role in enabling the UK to meet net zero carbon targets by 2030.

# Getting around: walking, cycling and public transport

In 2018, the transport sector accounted for a third of all emissions, the majority of which came from road transport.<sup>47</sup> We need a comprehensive programme of increased investment in buses, trams and trains along with safe routes for walking and cycling.

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People need an alternative to car use if the UK is to meet our emissions targets and we must protect our towns, cities and countryside from pollution and congestion. Outdoor air pollution is thought to contribute to about 40,000 early deaths a year in the UK,<sup>48</sup> much of which is from transport.<sup>49</sup>

A large-scale national programme of small-scale transport measures would require a combination of programmes. Capital spending on infrastructure projects, such as new rail stations, enhancements to existing stations, park and ride facilities, bus priority and cycle lanes, would get the process going. Revenue spending on programmes such as marketing or start-up subsidies for electric bus and rail services, bus service improvements, car clubs and bike hire schemes would also be transformational.

Free buses, targeted fare reductions for all forms of public transport, cycle training, travel planning at schools, workplaces and stations, and personal travel advice are also key.<sup>50</sup> It is already possible to travel by bus for free in around 100 towns and cities worldwide. These include more than 30 in the US and 20 in France, as well as in Poland, Sweden, Estonia, and Australia.<sup>51</sup> Car-free developments should be encouraged, and on-demand public transport could be made accessible to all members of the public, with a particular focus on people with limited mobility. Public transport in rural areas should be transformed including various forms of trip sharing and community transport provision.

## Safer streets

Residential streets should be re-designed with resident involvement, to make streets more inviting to pedestrians and cyclists by giving them priority and allow them to be used as outdoor living spaces. This could be by increasing pedestrian space, introducing segregated cycle lanes, or by limiting vehicle speeds in some cases to 10mph, for example. This would make streets more inviting to pedestrians and cyclists by giving them priority. On major roads outside built-up areas, the speed limit should be 55mph to maximise the efficiency of fuel use as well as improving safety.<sup>52</sup>

## Rebalancing the regions

Transport for the North has calculated that investing between £60 billion and £70 billion in the North of England's antiquated road and rail network between 2020 and 2050 could add almost £100 billion in real terms of economic benefit to the UK by 2050, along with 850,000 new jobs. In climate terms, this investment should focus on upgrading the rail network and repairs to existing roads. Additional investment in railways, like the proposed northern powerhouse





rail – a fast line between Bradford, Leeds, Manchester and Liverpool would allow 1.3 million people in the north of England to reach four cities in less than an hour vastly improving connectivity.<sup>53</sup>

## Flying less

We will also need to look at aviation in the shift to more environmentally sound travel. Short haul and some medium distance flights can be shifted to trains, and ferries in some cases. To make this possible, the Green New Deal would prioritise investment in railways and other forms of public and collective transport. It would also focus on fair and equitable ways of keeping demand for aviation within environmental limits, such as a 'frequent flier levy' alongside other measures such as ending tax breaks for aviation fuel. Proposals for a 'frequent flyer levy' would introduce a sliding scale tax for anyone who takes more than one flight a year.<sup>54</sup> Half of us don't fly in any given year, while 15 per cent of people in the UK take 70 per cent of the flights.<sup>55</sup> Revenue raised could be invested in the transformation of public transport, improving mobility for all of us.

# New ways to work and play

The Green New Deal will also change the way that we work, including the possibility of a standard four-day working week, providing time for people to spend in their communities. A shorter working week would enable us to distribute paid and unpaid work more fairly, including the caring roles more often ascribed to women.

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It would give us more time to engage with politics, reinvigorating our democracy and take part in local activity. A shorter working week would also leave us with time to move away from an economy based on passive consumption to one where we care for and repair more of the things that we have and own.

## Living more, consuming less

Clean energy alone can't deliver the emissions reductions needed in the timescale required by the science, we also need to consume less because of the energy involved in production, and because we're overstretching the earth's resources in a range of other ways. This means it's not enough to make material use more efficient, we also need to reduce the absolute amount of materials we are consuming. Measures that might support this include, ending built in obsolescence through extending guarantees to ten years or more, making goods repairable by implementing a 'Right to Repair', and legislation that could encourage material re-use, drastically reducing material extraction.

Broader cultural shifts could also be supported through the Green New Deal – shifting from ownership to usership would reduce use of carbon and other scarce resources. Shared, rather than private cars would both reduce emissions and make much better use of limited resources: cars currently sit idle for much of their lifetime. Fewer, shared, electric vehicles would reduce congestion and pollution clearing our streets and making much more efficient use of resources. Other shifts from private provisioning to collective and public forms of provisioning would encourage a shift away from inefficient private consumption: from community and municipal energy companies and co-operatives, to supporting increases in community supported agriculture, the Green New Deal will create a society that shares more.

## Repair, recycle and re-imagine

As it evolves, the Green New Deal will create opportunities in emerging sectors around material re-use and repair. In addition to apprenticeships and skills training, academies of repair skills proposed by the Remade Network would bring back an economy of care and repair. Community Repair Hubs in every town and city would provide employment while also reducing resource use. Empty department stores could be transformed into making and mending hubs, or centres for small scale manufacturing.

The Green New Deal could also establish a nationwide materials recycling programme. New obligations on the companies which produce the goods and materials needed for the clean energy transition could be made to pay to take those goods back from consumers so that they can be recycled and re-used. The





## THE REMADE NETWORK

The Remade Network's mission is to replace an extractive economy with a regenerative economy. They seek to do this by working in partnership to create a network of Remakeries (community businesses where people can learn to fix household goods) and other repair businesses that can cut waste, create jobs, and build community. Repair creates ten times as many jobs as recycling<sup>56</sup> and in Glasgow and Scotland remade have plans to create 1,000 new jobs and cut electronic waste by 30 per cent from baseline levels by 2035, using the 'remake' model which has had proven impact in Brixton and Edinburgh. This will then be a programme of work that other cities and countries can replicate.

WEEE directive (Waste Electrical and Electronic Equipment Directive) requires ten categories of electrical and electronic equipment to be collected, treated, recycled and disposed of when it reaches end-of-life. This approach could be expanded with obligations on manufacturers to make what they design repairable, and recyclable.

# Redistributing power and resources

Delivering the Green New Deal will mean the transformation of the power of regional government, and the creation of a new national and regional banking system explicitly designed to invest into the economy where it is needed most.

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## A mission of municipalities: the power to make the Green New Deal happen locally

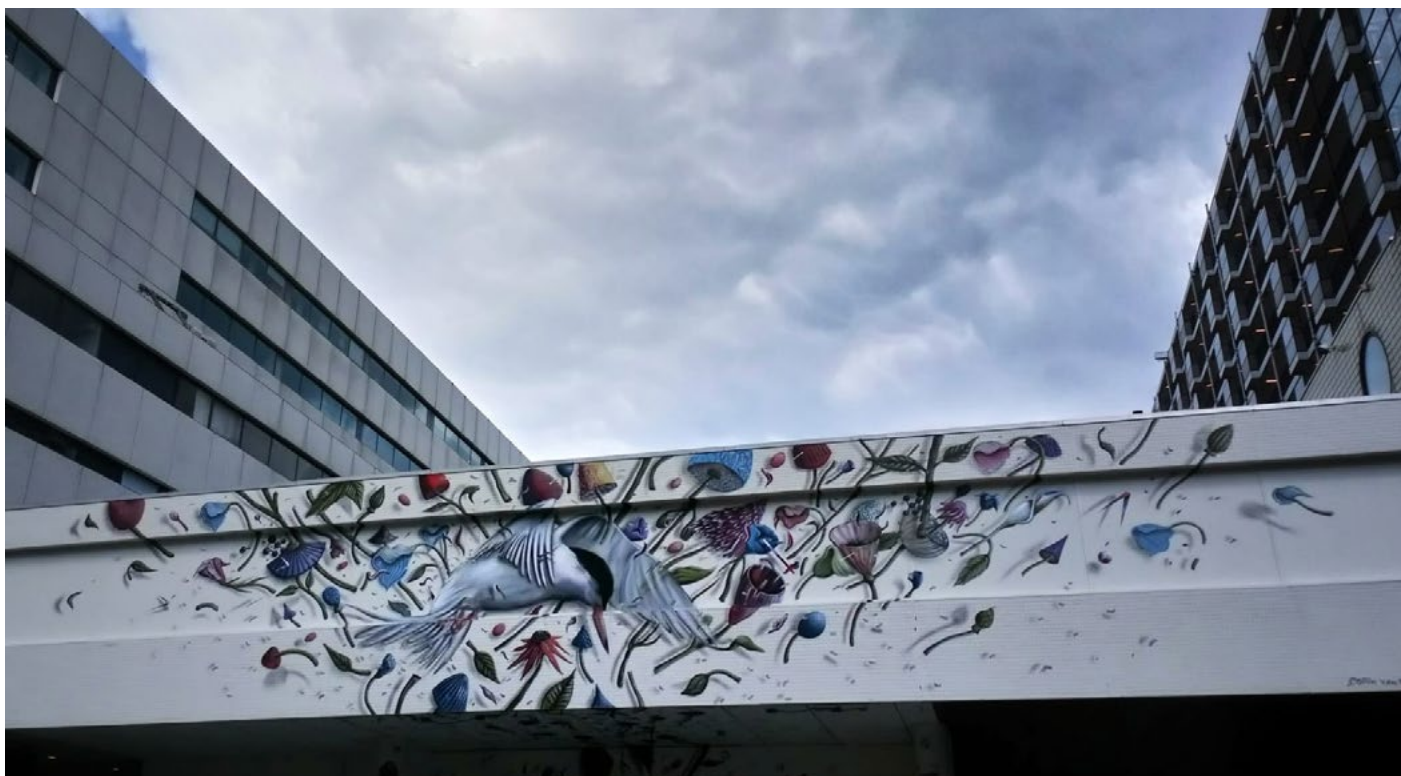
Although the Green New Deal must be driven by national government, the detail of the plans in many areas will be best devised and implemented locally. This will mean enabling devolved governments, elected mayors and local governments to make decisions for the communities they represent relating to the Green New Deal transformation plan. It will also involve actively engaging local people in the future of the places where they live and work through Citizens Assemblies and other forms of participation.

The delivery of the localisation of transport, agriculture and energy is best managed closest to the point of delivery, with government managing national co-ordination. The UK's steady de-industrialisation has hit some parts of the country disproportionately hard, so the Green New Deal must not only focus on revitalising these areas, but also make sure that the transition away from today's high emitting sectors is done in a way that supports people into new roles in the activity created by the Green New Deal, making use of existing skills and experience and providing training and support where necessary

Power has been taken away from local authorities over decades, and councils have been gutted by austerity. Delivering the Green New Deal locally will require central government to devolve power and resources back to the local level. Local governments should be allowed to issue their own green bonds as a way of raising money against secure assets, so that they can invest directly in transformation. There is much that can be done already. Councils can use their own procurement spending to channel resources into the local area, this could be used for green transformation, too. Leeds has its own climate commission and is crowd funding green bonds to invest in local transformation. Climate commissions have been established in Edinburgh and Belfast, too, with interest in Bristol and Manchester. Over half of the UK's principal local authorities have declared climate emergencies, and now need action plans that can be enacted at the local level.

The Green New Deal will mean new ways of working for local government – collaborating much more closely with community leaders, local businesses and local trade union representatives in the development and delivery of the plans. It will also mean giving much more control to local people, employers, trade unions and local leaders harnessing the growing energy for transformation.

To really accelerate the Green New Deal, central government will need to devolve power and resources to drive the transition on the ground. City Mayors could be empowered to pedestrianise city centres, freeing them for greater leisure use. Devolved funding for housing, planning and local transport as well as education, skills, employment support and immigration would enable local authorities to channel funding directly into the Green New Deal. As the New Economics Foundation have suggested, pollution taxes and property taxes could be devolved, too, along with new spatial taxation.<sup>57</sup>



## FEARLESS CITIES

The Green New Deal can learn from the global network of local authorities that have been experimenting with participatory ways to govern and with local economic transformation around the world. From Co-operation Jackson's work to transform the economy of Jackson Mississippi based on economic democracy, building the solidarity economy and community ownership to the work of Barcelona en Comu. Alongside regular people's assemblies and citizen engagement, the fabric of almost every aspect of life in Barcelona has been transformed. Sanctions have been introduced to remove the number of empty buildings; homes are being renovated; energy efficiency criteria are being introduced for new buildings; urban agriculture is encouraged; home care services have been municipalised; a tourist tax has been introduced generating five million euros a year which is being invested back into the city; social and environmental criteria have been incorporated into public procurement taking away the emphasis on price as the main factor, and a new platform introduced that opens up the process and encourages local enterprises to bid; plans are underway to re-municipalise water and set up a municipal energy company; social entrepreneurship and co-operatives have been encouraged, funds have been set up to support new enterprises and support given to help local businesses sell online; independent citizen audits of municipal budgets and debt have been introduced; salary limits brought in and local projects such as social centres, consumer co-operatives, community gardens, and time banks have been supported.

### The local economic multiplier: making the Green New Deal go further

Particular attention will be paid to enhancing local economic activity, ensuring that money that is invested in transformation is re-invested in the area by creating local jobs, using local suppliers and other services so that money invested recirculates in the local economy for longer increasing its impact. Preston council has shown how a community wealth building model, developed in collaboration with the Centre for Local Economic Strategies (CLES) can transform local economies by directing investment back into the community. The Green New Deal could set conditions for local content in supply chains – developing people and place-based industrial strategies – with development agencies mandated to maximise community economic benefit.



# Guaranteeing global justice

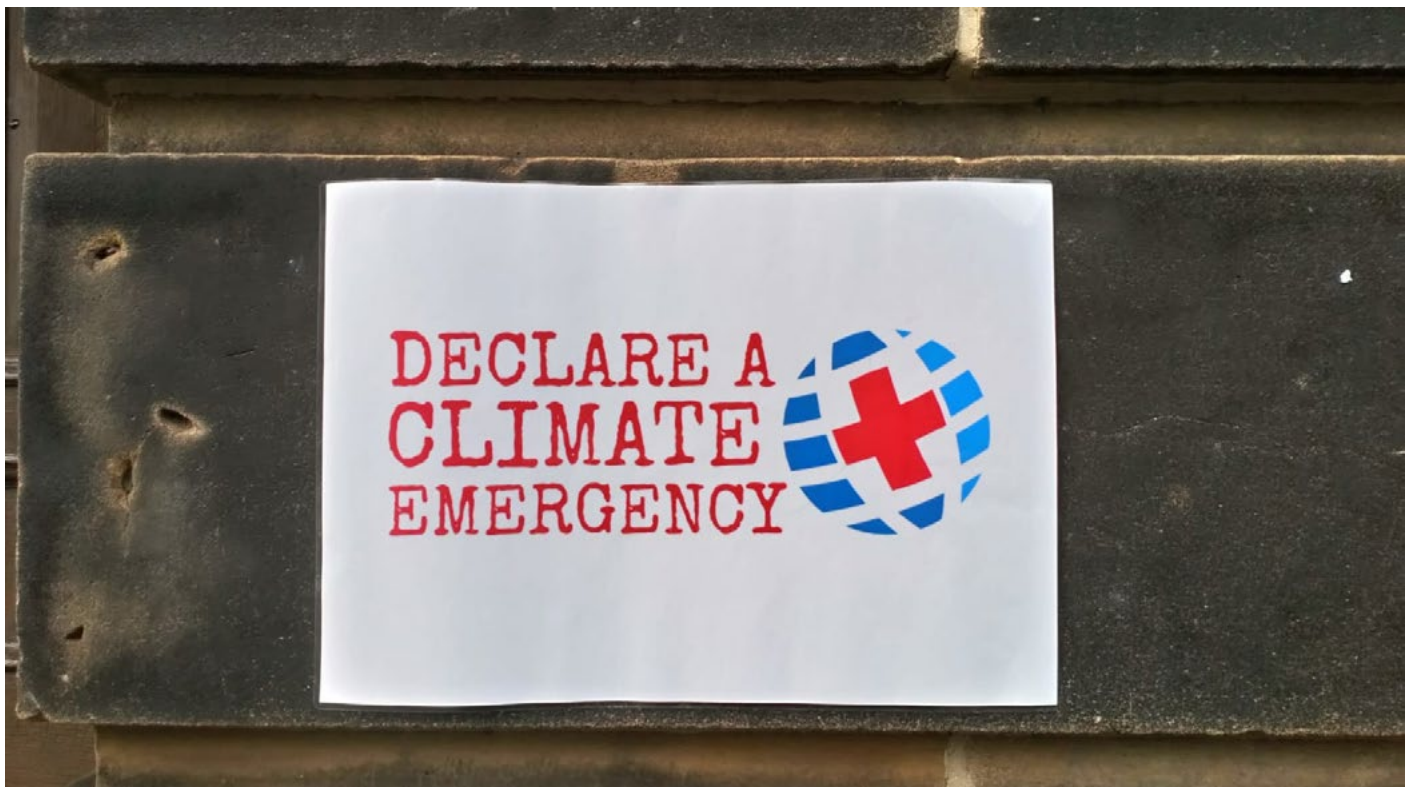
When we published our first report in 2008, we were clear that the Green New Deal would require global collaboration and must be globally just.

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Historical responsibility for emissions, means that we must take a lead by decarbonising our own economy and restoring vital ecosystems in a way that doesn't simply transfer the problem elsewhere, but we must also support countries in the global south through the transfer of technology and resources.

## Ensuring finance and technology for carbon neutral development

International obligations included in the Decarbonisation and Economic Strategy Bill include promoting finance for carbon-neutral development, and the international sharing of new clean energy technologies. Export finance for fossil fuels projects would also be transferred into clean energy projects. The Green New Deal would also end the cycle of extractivism making sure that the decarbonisation of our economy isn't dependent on the extraction of resources from elsewhere. The Decarbonisation and Economic Strategy Bill also includes provision for the promotion of the Green New Deal at international and regional forums including the WTO where the trade treaties and investment agreements that prioritise the interests of global corporations over the health and sustainability of nations must be transformed. Multilateral development banks including the Asian Infrastructure Investment Bank which could be pivotal in the global Green New Deal. At the International level the UK must work to restructure finance so that it is transparent, democratised and sustainable, taking investment out of extractive industries and providing resources for clean energy, ecological justice and regeneration programmes.



# Conclusion

The Decarbonisation and Economic Strategy Bill is the first attempt to set out in legislative terms the framework of a Green New Deal. It combines the restructuring of our economic system, with obligations on the Secretary of State to decarbonise the UK economy and reduce corrosive inequality year-on-year.

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It proposes the introduction of a new body, a Green New Deal Commission, to draw up a plan that can make that happen. The Decarbonisation and Economic Strategy Bill is a form of national enabling legislation that makes provision for a transformational programme in which government must take the lead, but everyone will play a role, where the detail and delivery will be led by communities and workers, particularly those on the front line.

This is just the start. The Bill sets out a broad framework, but the detail must be developed and debated with input from across civil society. Crucially that discussion must be focussed on action. There is much we can do to make a start, but to transform the UK so that it is cleaner, fairer and fit for the future, we need a government that will take the lead on a bold, transformative Green New Deal. The climate will not wait, and the injustice of inequality must be addressed. We have a nation to transform. The Green New Deal is the catalyst that will enable us to reimagine Britain, and then work together to make change happen.

We look forward to working with a growing range of organisations across civil society and politicians at the national and local level to make the Green New Deal a reality.



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# Resources

[The Decarbonisation and Economic Strategy Bill](#)

## **The Green New Deal:**

[The Green New Deal Group](#)

[A UK Green New Deal, Common Wealth](#)

[Green New Deal, The New Economics Foundation](#)

[Environmental Justice Commission, IPPR](#)

## **Key Green New Deal Group reports**

[A Green New Deal: joined-up policies to solve the triple crunch of the credit crisis, climate change and high oil prices, 2008](#)

[The Cuts Won't Work: Why spending on a Green New Deal will reduce the public debt, cut carbon emissions, increase energy security and reduce fuel poverty, 2009](#)

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## **Plans for transformation:**

[Zero Carbon Britain, The Centre for Alternative Technology](#)

[Raising Ambition: zero carbon scenarios from across the globe, 2018](#)

[Zero Carbon Britain: making it happen, 2017](#)

[Zero Carbon Britain: rethinking the future, 2013](#)

[The Rapid Transition Alliance: Evidence based hope for a warming world](#)

[Climate Manifesto: How government can address the climate emergency, Greenpeace UK](#)

[Climate action plan, Friends of the Earth](#)

[A Just Transition to a greener, fairer economy, TUC](#)

## **Campaigns:**

[Green New Deal UK](#)

[UK student climate network](#)

[350.org](#)

[Labour for a Green New Deal](#)

[European Greens](#)

[Green New Deal for Europe](#)

[Wretched of the Earth](#)

[Sunrise](#)

# The Green New Deal: where it came from, and where it's going

## Where the Green New Deal came from

The idea of a Green New Deal first arose at the time of 2007-2008 financial crisis roughly simultaneously in the us and the UK. New York times columnist Thomas Friedman wrote an article in January 2007 that suggested the approach. The same year the UK-based Green New Deal group formed, independently developing and publishing the first full proposal for a Green New Deal in July 2008. The group's report laid out the architecture of the Green New Deal for the first time: combining reining in the power of big finance and transforming the way that government manages the economy with a plan to transform the economy and society to meet the challenges of climate change. The group also published several subsequent reports developing the idea over the following years. The Green New Deal was then taken up by the green party in the UK, by green parties across Europe and by the united nations environment programme. In 2018, the idea was revived by us senator Alexandria Ocasio-Cortez and the sunrise movement in the us following a meeting between a member of her team and UK Green New Deal group member Ann Pettifor. When AOC published a bill for the Green New Deal with senator Edward Markey in February 2019 the idea caught on around the world.

## The Green New Deal today

The Green New Deal is fast gaining momentum around the world. So far, the campaign for a Green New Deal in the us has concentrated on the plan to transform the economy and hasn't yet turned its attention to the need to restructure the finance system or the way that the economy is managed. In July 2019, senator Alexandria Ocasio-Cortez teamed up with presidential hopeful Kamala Harris to launch a Climate Equity Bill that would make sure that any policy to meet the climate crisis and its impacts also benefits low-income communities and other marginalised populations.

Potential presidential candidate Bernie Sanders has announced his plan for a Green New Deal. Drawing on Roosevelt's war time mobilisation rather than the public works programmes of the New Deal. Sanders plan includes the declaration of a climate emergency, a \$16 trillion investment plan that would pay for itself in 15 years and measures to make fossil fuel companies pay for the transition. Europe for a Green New Deal have launched their blueprint for a Just Transition, drawing heavily on key elements of Roosevelt's original New Deal. There are now campaigns in the US, Canada, in the UK and across Europe. Consensus is building among policy makers and campaigners, in a way that hasn't been seen in decades, behind a bold transformational plan for our economies and societies.

## Where the Green New Deal is going

The Green New Deal directly addresses the driver of the climate, environment and inequality crises: a bloated and out of control finance system, and governments no longer able to control the direction of their own economies. The Green New Deal proposes changes to the way that economies are managed so that people and democracy decide what we can do, not the markets. Those foundations laid, the Green New Deal then sets out a programme for the transformation of almost every aspect of our lives, so that we are able to decarbonise according to the timeframe set out by the science and restore the natural systems we all depend on while also reducing corrosive inequality.

Here, the UK has a responsibility to those communities affected by de-industrialisation, and the people and communities who have been excluded from the economy. We must restructure the economy if we are to achieve the Green New Deal at the scale and speed needed for transformation, but we don't need to wait. Local authorities, cities and towns can take the lead beginning the process of transformation where they are. We have a limited time to act, a broken economy to fix, a divided country to transform and a historical responsibility to reduce our emissions.

The Green New Deal begins at home, and we must do our part to reduce our share of emissions, but it must also be international in outlook. The UK has a historic responsibility, to the communities and countries around the world affected by colonialism and cultures of exploitation and extractivism.



### **This report is the fifth full report of the Green New Deal Group**

Meeting since early 2007, its membership is drawn to reflect a wide range of expertise relating to economics and politics, and the climate, nature and inequality crises. The views and recommendations of the report are those of the group writing in their individual capacities.

### **The Green New Deal Group is in alphabetical order:**

**Larry Elliott**, Economics Editor of the Guardian, **Colin Hines**, Co-Director of Finance for the Future, former head of Greenpeace International's Economics Unit, **Jeremy Leggett**, founder of Solarcentury and SolarAid, **Caroline Lucas**, Green Party MP, **Richard Murphy**, Professor of Practice, City University, Director Tax Research LLP, **Ann Pettifor**, Director, Policy Research in Macroeconomics (PRIME), **Charles Secrett**, Advisor on Sustainable Development, former Director of Friends of the Earth, **Andrew Simms**, Co-Director, New Weather Institute; Coordinator, The Rapid Transition Alliance, Assistant Director, Scientists for Global Responsibility, **Geoff Tily**, Senior Economist, TUC.

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