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—From Extraction to
Stewardship

Road Map

COMMON
WEALTH

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The goal is simple but transformative: a deep and purposeful reorganisation of our economy

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Tinkering at the margins of an economic model driving environmental breakdown is guaranteed to deepen the climate emergency. To thrive, only a systemic response to a systems crisis will do. We need a UK Green New Deal to rapidly and justly decarbonise our society. This is a plan to restructure the economy toward sustainability, better steward and repair natural systems, hardwire democracy and justice into economic and social life, reimagine and expand prosperity, build resilience, and decolonise the global economy and its everyday operations. The goal is simple but transformative: a deep and purposeful reorganisation of our economy so that it is democratic, sustainable, and equal by design. Driven by a step-change in public policy and investment, a UK Green New Deal can rescue our collective futures from climate catastrophe and create the conditions for universal human flourishing.

A UK Green New Deal will depend on an unprecedented mobilisation of finance, anchored by an ambitious expansion in public investment, and directed through a green industrial strategy to restructure the economy – both supply and demand – toward a post-carbon future. Given the annual cost of reaching net-zero by 2050 is estimated to be 1-2% of GDP to 2050¹, it is reasonable to assume achieving comprehensive decarbonisation at an earlier date will require increasing annual investment in decarbonising industries, technologies and infrastructures – perhaps up to a value of 3-5% of GDP per year over the coming decades, creating millions of good jobs and building low-carbon wealth.

A UK Green New Deal, however, will need to be more than a series of discrete policies to decarbonise. It must be a common project to transform society, extending freedom to all, and supporting new ways of living and working. The purpose is not just to decarbonise today's economy but to build the democratic economy of tomorrow, one based on new and purposeful goals that centres what Tithi Bhattacharya describes as “life-making over profit-making”.²

Over the summer, Common Wealth is publishing a comprehensive roadmap for a Green New Deal for the UK. With contributions from leading climate activists, practitioners, policy experts, and academics, it will set out detailed plans for justly and rapidly decarbonising almost two dozen sectors or institutions in **six main areas**.

1— Transforming and democratising finance to deliver a UK Green New Deal. At the core of the plan is the largest mobilisation of resources in peace-time history to finance transition. To deliver the volume and quality of investment needed will require reshaping private finance, repurposing central banking, creating a new architecture of international finance that can fund a global just transition, and delivering a transformative expansion in the scale and ambition of public investment to finance a UK Green New Deal.

2— Restructuring the economy and work through a green industrial strategy. An ambitious green industrial strategy shaped by workers and communities on the front line of change will be vital to driving a just transition, restructuring the economy

to provide good work for all who want it. The roadmap includes sectoral strategies for transformation and new recommendations to ensure meaningful, well-rewarded work is at the heart of a UK Green New Deal.

3— Building public affluence in place of private wealth. A UK Green New Deal will have to transform and move beyond the infrastructures and ways of life of the carbon age in little more than a decade, expanding social goods in place of private consumption. This will require reimagining how we provide and own housing, transport, and care. The road map will set out plans to democratise and decarbonise our energy system, retrofit and expand the UK's building stock to provide decent, affordable and zero-carbon housing for all, scale a green public transport system, and support new forms of care.

4— A decentralised and democratised state to drive decarbonisation: Delivering the UK Green New Deal will require a transformed state, with proposals for radical decentralisation to the nations, regions, cities and towns of the UK to support place-based decarbonisation, and new institutions to coordinate structural transformation.

5— Nurturing a 21st century commons in place of extractivism: In place of an economics of extraction, a UK Green New Deal must nurture a dense and generative network of commons that encompasses everything from better stewardship of nature to democratising digital technologies to plan and deliver decarbonisation. The roadmap will examine how to redistribute wealth and time to universalise security, support new ways of living and thriving, and expand leisure.

6— Developing a green and just multilateralism: A Green New Deal must deliver climate justice, working to unpick the UK's role in an extractive global economy, supporting reform of the architecture of international financial institutions, and promoting a global just transition through investment and technological transfers.

Our roadmap for a Green New Deal is based on the following **principles**:

- **Our goal should be to decarbonise as rapidly and justly as feasibly possible based on a fair net-zero target.** All aspects of public policy should be repurposed toward that goal, mobilising to decarbonise our economy substantially before 2050. We have both a responsibility and capacity to act, and rapid transition brings many co-benefits. Rather than pursuing a lowest-cost pathway to decarbonisation, we should seek the highest ambition route. The net-zero target should be based on low residual emissions offset by the restoring and scaling of natural carbon sinks in the UK, not via unproven technologies or offsetting through unfair land use in the Global South.
- **Markets on their own cannot drive a society-wide reorganisation of production and consumption at the pace and scale required – a UK Green New Deal must be a government-led process of economic restructuring.** A Green New Deal must be a government-led, society-wide mission to rapidly and justly restructure our economy toward environmental sustainability, decoupling economic activity from non-renewable resource consumption and carbon emissions while expanding the social and economic conditions needed for human flourishing. The means are a transformative step change in the forms and direction of investment, ownership, planning, and control in society, based on a deep institutional turn in the ordering of our economy toward democracy, sustainability and shared forms of sovereignty.
- **A Green New Deal must deliver a just transition.** A UK Green New Deal must create good forms of work for all who want it, be shaped by the voices and interests of communities on the frontline of change including social movements, workers and trade unions, and challenge inequalities of class, race, gender and generations at the heart of fossil fuel capitalism. A just transition means investing in communities and regions in the UK and globally where it is most needed to address historic and ongoing inequalities and prepare for the inevitable disruptions ahead.
- **Climate crisis is a crisis of inequality.** Both the causes and unequal effects of climate crisis are intimately linked to and driven by inequality. Stark, longstanding differences in

consumption between countries and individuals are putting natural systems under intense stress. Yet despite not being responsible, the consequences of breakdown fall predominantly on poorer nations and households. A UK Green New Deal must challenge the inequalities driving climate emergency or risk deepening climate apartheid.

- **A UK Green New Deal must support global climate justice.** As a key nodal point in fossil fuel capitalism and a beneficiary of centuries of unequal extraction, the UK has a particular obligation to support a just global transition. Given the nature of climate crisis, effective action necessarily will involve effective international co-ordination. A UK Green New Deal will therefore have to be based on new forms of green internationalism, supporting the pooling of resources and technologies to address climate change equitably.

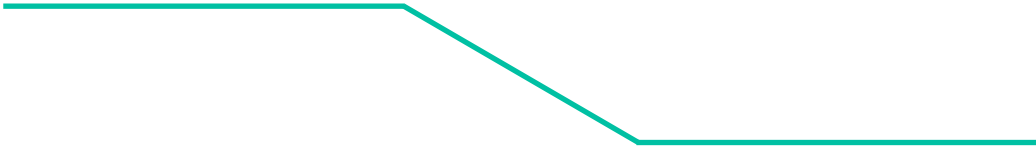
A UK Green New Deal will ultimately require rewiring an economy based on extraction where nature is commodified and unsustainably consumed, where the commons – natural, social, technological – is enclosed and its wealth privatised; and where value is extracted from labour, both waged and unwaged. Extraction drives the unequal accumulation of wealth and concentrates power.

An alternative must be anchored in models of ownership and control that are sustainable, democratic and purposeful by design to better steward our common resources. This will require a reimagining and expansion of common ownership to ensure we share in the wealth we create in common, new forms of stewardship to re-embed the economy in nature and end the false separation of the economic from the environmental, and a rewiring of control so we all have a stake and a say in decision-making that shapes our workplaces, communities, and society. And it will require a new purpose for the economy, focused on more social, creative and sustainable ways of creating, measuring and distributing value in the economy. A UK Green New Deal can build that future for all of us.

Over the coming weeks, Common Wealth will publish a set of detailed policy interventions that taken together can deliver on these principles and scale a democratic and sustainable economic architecture if powered by social movement, communities and politics organising for climate justice. A UK Green New Deal must be central to that transformation



1.N Introduction



The climate crisis is political

The climate crisis is fundamentally a crisis of politics. We can therefore address it democratically and justly. We have the capability, ingenuity, and resources to radically and equitably decarbonise our economy and repair the natural systems we are currently ravaging. The challenge is in mobilising the democratic power and transformative programme to match the scale of emergency confronting us. If we fail, natural systems breakdown will accelerate further, with those least responsible for change bearing the brunt of its repercussions.

Climate breakdown is already here, it is just not evenly distributed. From extreme weather events to rising seas, from collapsing biodiversity and soil erosion, the effects are already devastating many communities, livelihoods, and ecosystems, particularly those in the Global South.³ Yet unless global carbon emissions are reduced by 45% from 2010 levels by 2030 and reach net-zero globally

by 2050, temperature rises of 1.5 degrees above pre-industrial levels are highly likely within decades.⁴ This will mean large-scale planetary disaster and an end to the old assumptions – climatic stability and benign nature – of political life.

Increases of 1.5 degrees or more would trigger accelerating and interconnected forms of natural systems breakdown that would all but guarantee immense and unnecessary suffering and disruption for many. Decarbonising rapidly enough to keep temperature rises to 1.5 degrees or less is therefore a question of life or death for many people and species and will require rapid, far-reaching and unprecedented transitions in economic and social systems to achieve.⁵ Yet on current trends, temperatures are forecast to increase by three to five degrees above pre-industrial levels by the end of the century.⁶ Temperature rises on that scale will threaten the sustainability of human civilization as we know it and

have devastating effects on health and mortality rates; it will condemn with certainty many of the habitats and species that coexist with and enrich us.⁷

Intertwined climate and environmental crises and the distribution of its effects are laced through and driven by wider inequalities in the global economy, flowing from histories of colonial extraction. The poorest half of the world's population are responsible for just 10% of carbon dioxide emissions compared to 50% for the richest tenth, yet developing countries will bear an estimated 75% of costs of the climate crisis.⁸ Similarly, driven by high levels of resource consumption by wealthier nations and individuals, we are dangerously outstripping the capacity of the Earth to regenerate itself, using materials and producing carbon faster than they can be regenerated or absorbed.⁹ Without change, we risk fatally eroding the biophysical conditions that sustain and renew life.

The uneven distribution of the cause and effect of climate breakdown suggests we may have entered the Anthropocene geologically, our new era where human activity is the dominant and devastating influence on the climate and environment. Yet politically we live in the “capitalocene”: capitalism organises the relations between humans and the rest of nature in ways that are hierarchical, unequal, and extractive, appropriating and transforming nature and labour for private gain with little regard for the common wealth.¹⁰

The choice then is clear: we must rapidly and equitably transform the institutions, infrastructure, and ways of life of the carbon age in little more than a decade or face deepening climate apartheid.¹¹ Transformation will require a daunting but ultimately deeply hopeful project of collective creation.

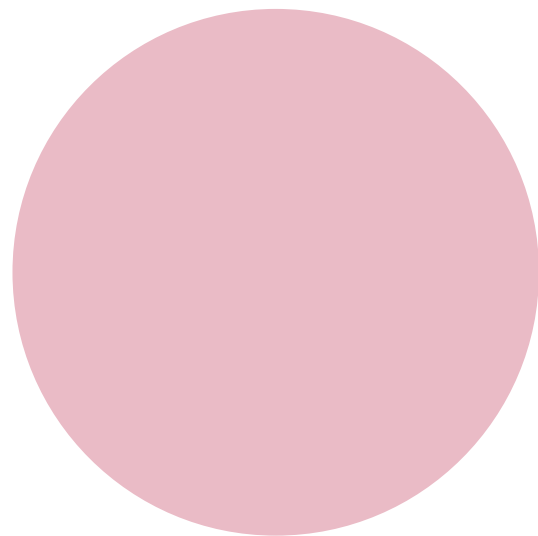
Out of crisis, we can build a better society that supports richer forms of human flourishing for all. But tinkering won't suffice. Only a shared effort of reimagining, of new world making, can radically and justly decarbonise our society in ways that deepen and universalise individual and collective freedom.

Inaction or timidity guarantees escalating breakdown, and becomes more costly the longer we wait. A technocratic politics of anti-democratic managerialism – a climate Leviathan – risks securing decarbonisation at the expense of justice, amplifying the failures of an economic system that is driving climate breakdown.¹² Or, worse, an ethno-nationalist vision of climate eschatology could triumph: a dangerous mix of a reckless defence of the commanding heights of the carbon economy rather than a justly managed transition, an aggressive acceleration of the inequalities of global capitalism, and the increasingly violent policing of people displaced by environmental crisis. Given this, a politics of incrementalism is not simply complacent, it is actively dangerous.

A “Hothouse Earth” of deep inequality, disruption and hollowed-out democracy does not have to be our future.¹³ We are not passive bystanders. But we are the last generation that can avert potentially runaway climate breakdown and build the forms of resilience we need to cope equitably with the inevitable change to come. The window to act is narrowing and action must be matched with scale and ambition. Only a Green New Deal can deliver this, rescuing our collective futures from its current trajectory. In the face of climate crisis, there really is no alternative.

1.2

A UK Green New Deal is the answer



A Green New Deal is a public-led, society-wide mission, shaped by workers, unions and communities, to rapidly and justly decarbonise the economy as fast as feasibly and fairly possible, bring our environmental footprint within fair and sustainable limits, and expand the social and material conditions for universal human flourishing. It aims to rapidly and justly restructure the economy toward environmental sustainability, decoupling economic activity from non-renewable resource consumption and carbon emissions while expanding the sectors and activities that can build and share sustainable wealth. The means are a transformative stepchange in the forms and direction of investment, ownership, planning, and control in society, based on a deep institutional turn in the ordering of our economy toward democracy, sustainability and shared forms of sovereignty.

The scale and pace of change required will not happen if left to market-based “solutions”.¹⁴ Markets on their own are an inappropriate mechanism to drive society-wide reorganisation of production and consumption within a short timeframe, risk amplifying inequalities, and fail to account for environmental externalities that threaten our collective futures. Progressively designed carbon price policies that lower demand for carbon-intensive goods and services, incentivise transition to a zero carbon future, and punish polluters inside and outside of the UK have a role to play, but “are no substitute for the large-scale investment in sustainable industries, new technologies, and the transition toward zero-emissions infrastructure.”¹⁵ A Green New Deal will instead depend on public action – at multiple levels of the state – playing a fundamental role in re-defining the direction of development and coordinating economic activity, repurposing institutions, and reshaping supply and demand in the economy to meet social and environmental needs.¹⁶

A Green New Deal must have justice and democracy at its heart. Economic restructuring must involve a double-movement, delivering comprehensive decarbonisation while transforming how the economy operates and for whom. In other words, the point is not just to decarbonise today’s economy, but in the process build a new one of expanded possibility and social wealth, a deep reconfiguration of the economy based on new ways of living, working, and thinking.

Today, our economic model is failing to generate sustainable, fairly shared prosperity, a failure rooted in long-standing flaws in our economy.¹⁷ The British state is too centralised, hoarding power in Whitehall and giving too little to the nations, regions, cities and towns of the UK. Too many are denied security and dignity by a decade of austerity and insecure work. And globally the UK contributes to climate crisis as a key nodal point and beneficiary of an extractive and unequal international economy.

A radical Green New Deal must address these failings, democratising and decentralising the state, giving new resources and powers to communities, rewiring the institutional arrangements and ownership structures of our economy, creating new forms of purpose, measurement and value to guide economic activity, and building new forms of security. It must support a new internationalism, multilateral in orientation, decarbonising and decolonising in action, working for and shaped by the Global South and undoing the colonial legacies that the UK continues to benefit from. A Green New Deal should be a collective and democratic project to reimagine public affluence, the commons, the household economy and the market for sustainable prosperity, focused on meeting the needs of human and non-human life, and centring the voices and interests of ordinary people and communities.

The contours of a Green New Deal

The need for a transformational shared project to drive a step change in emissions and sustainability is clear. There have been remarkable and unforeseen successes over the past few decades. The UK's electricity system has recently gone a fortnight with no coal generation, part of a remarkable transformation in energy generation. Carbon emissions have declined by around 38% from 1990 levels, decarbonising faster than any other major industrialised economy, due primarily to de-coaling energy generation and expanding renewables alongside shifts in industry¹⁸ (although importantly this figure fails to account for the emissions from imported goods based on consumption which substantially reduces the scale of emissions reduction¹⁹). Critically, public policy played a vital role in driving these shifts; emissions would have been twice as large today compared to 1990 in a “business as usual” scenario.²⁰

Yet despite these successes, we are straining at the limits of what the current policy environment can achieve and are still failing to keep pace with our decarbonisation commitments. As the Committee on Climate Change noted in February 2019, the government is falling short in fifteen out of eighteen areas needed to meet its legally-binding climate targets. This is often due to unsupportive policy decisions.²¹ From the selling off of the Green Investment Bank to a company that supports open coal mines and fracking to backing for carbon-intensive infrastructures to inadequate support for home retrofitting and the renewables sector, many opportunities have been missed. As a result, the UK is on course to miss its carbon budgets in the 2020s and beyond by growing margins. Indeed, despite legislating for net-zero by mid-century, the UK is currently set to miss its target of an 80% reduction on 1990 levels of emissions by 2050.

A Green New Deal must consequently deliver a step change in outcomes, reducing carbon emissions across the whole of society at once, including where decarbonisation has been slowest and most difficult. This means that alongside driving forward areas where more rapid progress has already been achieved, such as in scaling low-carbon energy generation, credible strategies for just decarbonisation of sectors that have lagged behind must be at the centre of a Green New Deal. This includes areas such as transport, land use, building stock, industry, heating, aviation, and shipping. A Green New Deal must drive the accelerated deployment of low-carbon technologies and infrastructure at scale and the managed and just phasing out of carbon-heavy activities.

Transforming and decarbonising supply will not be enough though; a Green New Deal will need to reshape demand too. The UK cannot decarbonise rapidly without reshaping consumption, including scaling down meat and dairy consumption, carbon-intensive activities particularly associated with the wealthiest, and fairly managing and constraining demand for air travel. It will also require new approaches to complex consumer and industrial supply chains to limit the global environmental footprint of the UK. A Green New Deal must then grasp the nettle of shifting society's choice architecture or it will not deliver the scale of reductions required. It will also require the collective provision of goods and services currently privatised, transforming the means of consumption. Changing the choice architecture will generate benefits but will require political and social leadership.

G1: Sector-by-Sector Transformation:
A Green New Deal must drive comprehensive and simultaneous change across many sectors.²

—Economic Mission From extraction to an economy of stewardship and social and environmental purpose.

—Building stock Radically improve energy efficiency, a retrofitting national mission to roll out new heat network and heat pumps, build a new wave of zero-carbon homes, drive widespread electrification, and the transformation of gas grids.

—Waste Drive reduction in waste, increase recycling and circular economy, limit emissions from bio-waste.

—Finance A step change in investment to decarbonise our infrastructures, industries, and homes – up to 5% of GDP annually. Public investment must anchor this through revised fiscal rules, increasing public spending funded through a mix of taxation and borrowing, and a new wave of public, mission-oriented banks. Private finance must be reformed to “green” its investment through new macroprudential rules and binding fiduciary duties on investors. The Bank of England should use credit guidance to scale low-carbon investment and co-ordinate with the government to drive rapid, just transition.

—Land transport Expansion of low-carbon integrated transport systems, ambitious electric vehicle transformation, scaling down of private car travel, scaling up of public transport based on zero-emission fleets and the repurposing of built environments to support public travel, and strategy to decarbonise HGVs.

—Energy Democratise and decentralise ownership of the energy system including generation and distribution, scaling investment to deliver 100% renewable energy system by 2030.

—Enterprise Expand democratic forms of ownership, rewire corporate governance to embed labour and environmental interest, reshape goal from shareholder value maximisation to sustainable purpose.

—Consumption Substantial reduction of meat and dairy consumption, expanding consumption of zero carbon services over more goods and materials.

—Agriculture and land use Scale low-carbon farming practices, support natural systems stewardship role for farmers. Scale-up carbon sinks with wide-ranging rewilding efforts including peatland restoration and reforestation.

—Industry Support carbon-intensive industries to transition to green alternatives and scale low-carbon sectors with active industrial strategy, boost energy efficiency, site-based CCS clusters.

—Aviation and shipping Redirect investment in aviation infrastructure toward low-carbon transport modes, fairly manage and constrain demand for flying with progressive taxation on frequent fliers to fund green transport systems, and stringent requirements on sector to increase efficiency. Mission-led investments to transform carbon impact of shipping.

A Green New Deal means greater ambition

A question of timing: the target and nature of net-zero

The UK's legislating for a net-zero emissions target by 2050²³ is a reflection of a growing recognition of the scale of climate emergency – and also our capacity to act to limit further breakdown and build just resilience for unavoidable environmental shifts. The Committee on Climate Change recently estimated a total resource cost for a transition to net-zero of between 1-2% of GDP by 2050. They also made clear the foundations to deliver major parts of a net-zero economy are already active or in development, only requiring a ramping up of policy support to deliver. In other words, net-zero is achievable based on existing technologies and practices on a low-cost pathway in little more than a generation if there is a step change in public policy.²⁴

Three powerful reasons should compel the UK to seek adopt a significantly earlier target for comprehensive decarbonisation: justice, capability, and the opportunity to build a better, healthier society.

Justice, because the UK's historic and on-going role in cumulative carbon emissions and environmental breakdown demands we go further and faster than most, redressing past harms and ensuring we use as little of the world's remaining carbon budget as possible.

Capability, because we have the capacity, technologies, and resources to deliver more rapid and just decarbonisation if we make a Green New Deal *the* national mission.

Benefit, because the gains of bold and swift action outweigh the costs. A Green New Deal will deliver a healthier economy, environment and society, new forms of good, secure and meaningful work, challenge global injustices and the avoided costs of climate damage and adaptation, substantially outweighing any costs.

Given this, our ambition should be simple but transformative: as the nation that gave birth to the Industrial Revolution and fossil-fuel capitalism, the UK should be the first industrialised country to comprehensively decarbonise while hardwiring justice and prosperity into economic and social life. We should be a model showing decarbonisation can be done rapidly and justly while building a healthier and more prosperous society. All Green New Deal interventions must drive an increase in the rate of change of carbon reduction in the here and now – embedding a radical exponentialism in our capacity to decarbonise.²⁵ A radical Green New Deal must mobilise the resources and ambition to put us on a technically feasible pathway to that goal.

Critically, the existing parameters of debate around timings for net-zero are based on a model of “acceptable cost” defined by the lowest cost of transition not the highest ambition. Yet together we can actively choose the values that determine what is costly and what is acceptable; that is the purpose and content of politics. A radical approach should choose what we deem acceptable both for ours and future generations. This requires more than a lowest cost trajectory; both people and planet deserve the highest ambition investment pathway possible that would bring forward the process of decarbonisation and increase exponentially society's capacity to decarbonise. The exact timing – and who will bear the cost of transition – is ultimately a political decision and one we should collectively define as a mission of the highest ambition.

Alongside a date-based target, the size and type of net-zero the UK pursues is important when considering the type and pace of decarbonisation to pursue. We need to be clear that net zero is only a radical and just notion under particular

terms, is contested, and contains many possible loopholes and injustices. If it is a substantial net then the UK would have to pursue large-scale offsetting abroad. In that case, the use of bio-energy with carbon capture and storage will have highly negative impacts on land use in the Global South and global climate inequalities. This does not accord with the principles of justice that are at the heart of a Green New Deal.

Radical decarbonisation incorporating a net-zero target should be achieved through offsetting in the UK primarily via the scaling of natural sinks, such as restoring peatlands and reforestation. Given we will need to offset and remove carbon from the atmosphere to stabilise the climate just forms of negative emissions and netting are vital but the UK's contribution should centre on restoring its natural carbon sinks and nature. Similarly, a reliance on speculative, unproven negative emissions technologies for mitigation or offsetting abroad should not form part of a net-zero target under a Green New Deal. We should therefore mobilise for a globally fair net-zero as fast as feasible and just.

One step to support political debate over the pace and nature of decarbonisation would be to require the Committee on Climate Change to set out technically feasible pathways to a just net-zero based on higher-ambition, higher-investment pathways, including 2030, 2035, 2040, and 2045. This would give greater clarity on the potential ways forward and the various co-benefits and costs of different pathways that would better inform political debate over the UK's approach to decarbonisation.

Financing a Green New Deal: affordable, beneficial and fair

Financial institutions shape the future through their allocation of resources in the present. Control of investment therefore gives command over our

collective futures. Today, taken as a whole, the financial system is doing too little to decarbonise our economy, too much to generate and sustain our deeply unequal economy, and privatising decision-making power over the future. For example, since the Paris climate agreement globally banks have financed \$1.9 trillion²⁶ of fossil fuel projects with financing on the rise each year; Barclays alone has channelled \$85bn toward the fossil fuel industry in that time.²⁷ Without deep reform, private finance will accelerate climate breakdown. At the same time, public investment is currently too low to drive the scale of change needed.

At the heart of any radical Green New Deal must therefore be a transformation of our financial system so it can mobilise and direct the resources and investment needed to drive decarbonisation. Rapid and just transition requires the largest peacetime mobilisation of resources in our history. To deliver this, four changes are required: the reorientation of private financial institutions to serve social needs through new macroprudential rules and binding green fiduciary duties for institutional investors; the repurposing of central banking to guide our economies toward rapid transition including the use of new macroprudential tools and credit guidance; the creation of a new architecture of international finance that can fund a global just transition; and finally, an expansion in the scale and ambition of public finance and fiscal policy including increased public investment and mission-oriented public banking. Taken together, this will require the creation and expansion of institutions that can shape investments through new forms of public, democratic control.

A step change in public investment must underpin, drive and direct a Green New Deal. Given the costs of financing decarbonisation are partly endogenous and highly uncertain given the time periods involved, it is impossible to give a

precise rate or total amount of investment required. However, given the annual cost of reaching net-zero by 2050 is estimated to be 1-2% of GDP to 2050 according to the Committee on Climate Change, it is reasonable to assume achieving comprehensive decarbonisation at an earlier date will require even higher levels of investment. Government policy must therefore be ready to direct and steer public and private funds into decarbonising industries, technologies and infrastructures – perhaps upto a value of 3-5% of GDP per year over the coming decades.

Critically a radical step change in investment, driven by increased public investment, is affordable, beneficial and fair:

—The cost of decarbonisation is partly endogenous, shaped by public policy choices. Ambitious, market-shaping public policy backed by large-scale investment can drive declining prices and cost-effective mass deployment of low-carbon technologies and infrastructure, while recognising the environmental impact of their production and installation. For example, the cost of solar power is less than a tenth of what it was only a decade ago, and wind power less than half, both extraordinary declines not predicted at the time.²⁸ The fall in cost was driven by specific targets which then generated new incentives, flows of investment, and demand for the technologies. Increasing the ambition of the decarbonisation target backed by increased investment can scale and amplify the innovation-policy network into a whole range of sectors, collapsing the prices of low-carbon goods and services through public policy intervention.

—The secondary benefits of increased investment outweigh the costs, from social and health gains to positive economic spillover effects and the creation of new green wealth. In other words,

the cost of investment must be netted out against its benefits – the creation of infrastructures, industries and sustainable wealth that can create a healthier, more innovative, and equitable society, including millions of new, rewarding jobs.

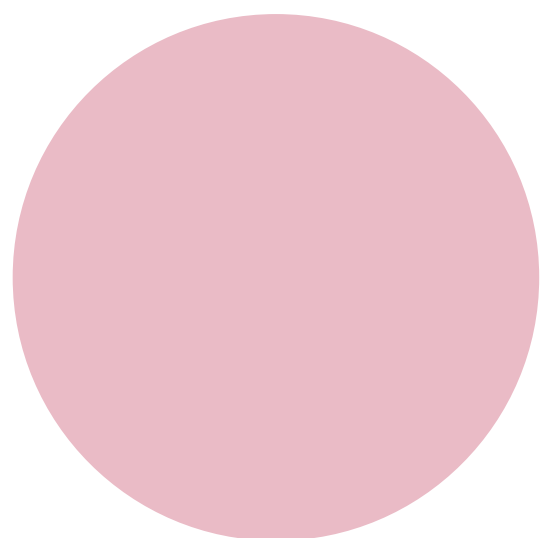
—Delayed or slow-paced action today will increase the cost of decarbonisation and the abruptness of transition in the future. More to the point, the price of inadequate inaction overall is devastating if runaway climate breakdown occurs.

—Macroeconomic conditions – weak aggregate demand²⁹, the low cost of borrowing, continued demand for sterling-denominated assets meaning the UK can issue bonds to cover the cost of spending – makes the moment ripe for an ambitious expansion of public investment, an expansion that would bring multiple, transformational benefits. Boosting investment therefore makes macroeconomic sense for the UK.

—A transformative increase in public investment can partly be met through taxation, that should be both progressive in design and seek to change behaviour in industry and consumption. However, the scale of investment required will likely necessitate public borrowing.³⁰ The use of public borrowing to fund investment is a virtue though. Financing the Green New Deal should be shared across both present and future generations given the benefits are spread over time; given the investments will benefit society decades into the future, the costs cannot nor should be borne wholly by the present. Long-term public sector borrowing is an effective mechanism for pooling resources and fairly spreading the costs of decarbonisation. Public investment involving borrowing is therefore a strength of a Green New Deal in terms of intergenerational fairness.

—Binding carbon targets rule out and suppress the possibility of profit-making in carbon-heavy sectors; conversely, it provides certainty where there is clarity on what kinds of products, services and technologies will be permissible. More ambitious targets can therefore crowd in private investment to support public funding.

The question then is not whether we can afford a Green New Deal. We can. The more pressing issue is ensuring that the costs are distributed fairly and progressively, in ways that protect low income households in particular. The bigger question – in the face of mounting climate crisis – is whether we can afford *not* to pursue a Green New Deal. Given the injustices, costs, and missed opportunities that would involve, the answer is no. If in the wake of the financial crisis, states and central banks in advanced capitalist economies mobilised public power and planning to protect private wealth, today the expansive directional power of public finance and central banking should be mobilised to steer our economy toward comprehensive decarbonisation and economic justice.



A Green New Deal beyond decarbonisation: anchoring a society of flourishing

The purpose of a Green New Deal is not just to decarbonise today's economy but to build the democratic economy of tomorrow. Green Keynesianism isn't enough.³¹ The long-term goal of a transformative Green New Deal – beyond driving rapid and just decarbonisation and the exponential scaling of the capacity to reduce carbon emissions – should be the steady, irreversible replacement of today's economy with a democratic one centred around life and vitality, with institutions that share the wealth we create in common, and where deep freedom, solidarity, and capability are a collective inheritance. A Green New Deal should be a conscious effort to design democracy into the fabric of everyday life.

Such an economy would centre new kinds of work and value, rooted in solidarity, care and creative expression. As Alyssa Battistoni writes, it would be “oriented toward sustaining and improving human life as well as the lives of other species who share our world.”³² It would be based on a decolonising economics that would tackle existing and longstanding disadvantages experienced by marginalised groups, challenging the multiple and reinforcing forms of oppression that lace through our society.³³ A Green New Deal would build new forms of stewardship to re-embed the economy

in nature, ending the false separation of the economic from the environmental, scaling new institutions of communal flourishing, and rewiring control so we all have a stake and a say in decision-making that shapes our workplaces, communities, and society. An expansive social commons and the building of public, green infrastructures that support new forms of solidarity, creativity and commoning would underpin a Green New Deal.

A transformative Green New Deal will require a decisive break with neoliberalism. The core of neoliberalism is a multi-pronged, often contradictory strategy to insulate capitalism from democracy, to transform the economy into an object beyond the realm of politics, to privilege private power over common wealth. The Green New Deal must be its opposite: a de-naturalisation of the economy to re-embed it within natural systems by conscious design, a recognition of the plasticity of institutions and their political ordering, and a belief that deepening democracy and the capacity for democratic intervention in all spheres of society is a precondition for a better collective future.

A Green New Deal will consequently depend on the confident use of tools neoliberalism has long sought to neuter: collective action, ambitious public investment, strengthened labour power, democratic planning and democratised workplaces, the deliberate scaling

of a pluralistic landscape of shared ownership, the commoning of resources, and the extension of the public realm and shared ownership in place of private consumption. Underpinning all of this must be a democratisation of ownership and control in the economy, at multiple scales from local to the national and beyond, breaking from a system dominated by private ownership focused on profit and accumulation and instead extending democratic governance and power into economic life, repurposing enterprise to serve social and environmental needs over private accumulation.

A Green New Deal will require new ways of creating and measuring value in the economy with public policy targeting a more needs-focused, distributionally-sensitive and sustainable range of metrics than GDP growth, including the expansion of leisure time as a key goal of the economy. Ambitious industrial strategies capable of restructuring production and consumption, supporting just social and ecological reproduction, and driving the mass deployment and adoption of zero-carbon technologies and infrastructures will be vital. The institutions that dominate our economy – from the company to institutional investors to central banking – must be rewired through new forms of ownership and governance so that they are sustainable, democratic, and inclusive by design.

Conclusion: a road map to a Green New Deal

How we radically decarbonise must be decided together and powered by the energy and vision of social movements and communities on the frontline of change. It cannot be a narrow project. Over the summer Common Wealth will be publishing a detailed roadmap for a radical Green New Deal, with transformative ideas drawn from activists, practitioners, and policy experts from both sides of the Atlantic. With reports setting out detailed proposals for how to rapidly decarbonise critical sectors or institutions in the economy, it traces out the contours of a UK Green New Deal that can deliver just and rapid transition.



10 policy directions for a Green New Deal



1—Embedding new goals for the economy: Reorienting the purpose of the economy, with a focus on increasing well-being, leisure, purposeful enterprise, and generating sustainable prosperity instead of a single metric of GDP growth.

2—Reshaping finance to drive a Green New Deal: Transform and democratise the financial system to drive a step change in investment and ensure its power serves the interests of people and planet.

3—Restructuring work through a green industrial strategy: Implement an ambitious worker and community-led green industrial strategy to provide good, meaningful work for all who want it, based on sector-specific plans to drive fair and transition and restructure the economy toward sustainability.

4— Linking decentralisation, democracy, and decarbonisation together: Linking decentralisation, democracy, and de-carbonisation.

5—Building low-carbon infra-structures: Transform how we create and own housing, transport, and care to provide sustainable public affluence in place of private, unequal wealth.

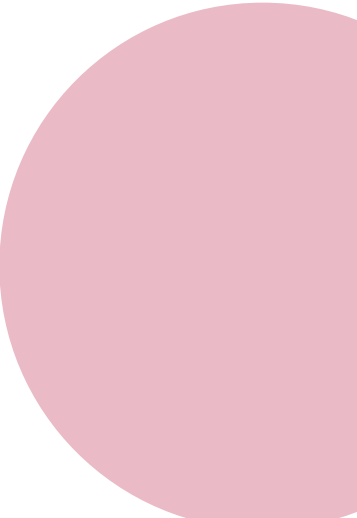
6—Securing a just transition away from fossil fuel extraction: End fossil fuel extraction justly and rapidly scale a low-carbon, democratically owned energy system.

7—Nurturing a 21st commons: Build a 21st century commons – both natural and digital – to steward nature sustainably and ensure data and digital technologies are organised as a common resource and developed to meet our needs.

8—Democratising wealth and time: Redistribute wealth and time to universalise security, expand freedom and support new ways of living and thriving.

9—Shape sustainable consumption: Promoting consumption by incentivising low carbon lifestyles and fairly lower demand for carbon-intense activities.

10—Developing a green and just multilateralism: Support a new internationalism that is multilateral by instinct, decarbonising and decolonising in action, bolsters a global just transition through investment and technological transfers, and is committed to reforming the architecture of international financial institutions.



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