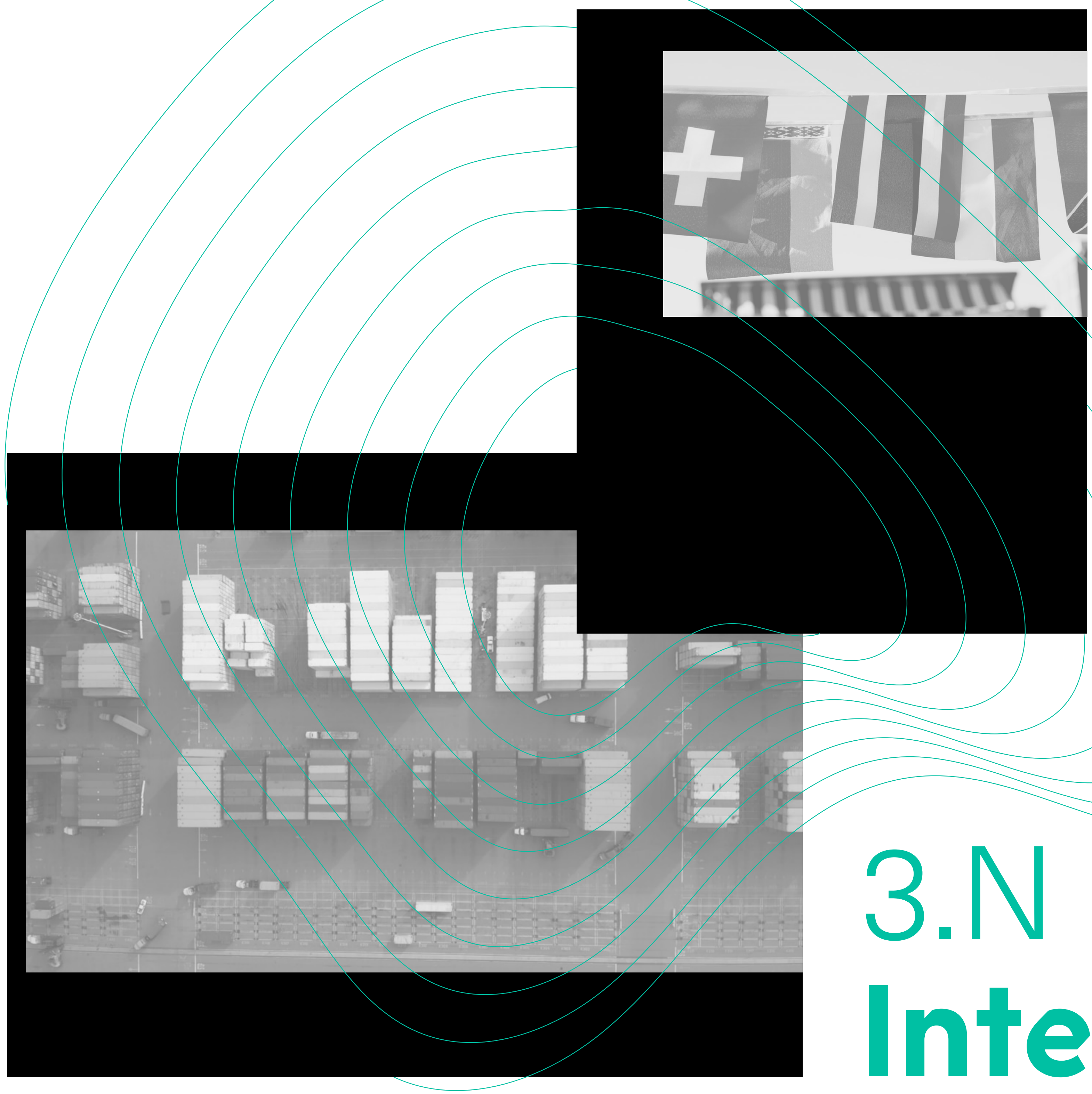
A Road Map To GND

—From Extraction to Stewardship

COMMON WEALTH



3.N Internationalism

3.1

For a Global Green New Deal

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Climate politics are today bursting to life like never before. For four decades, market fundamentalists in the United States and United Kingdom have blocked ambitious efforts to deal with the climate crisis. But now, the neoliberal hegemony is crumbling, while popular climate mobilisations grow stronger every month. There has never been a better moment to transform politics and attack the climate emergency.

When the climate crisis first emerged into public consciousness in the 1980s, Margaret Thatcher and Ronald Reagan were consolidating a neoliberal doctrine that banished the most powerful tools to confront global heating—public investment and collective action. Instead, neoliberals sought to free markets from democratically imposed constraints and the power of mass mobilisation. Thatcher insisted that there was no alternative to letting corporations run roughshod over people and planet alike in the name of profit. Soon, New Democrats and New Labour agreed. While the leaders of the third way spoke often of climate change, their actual policies let fossil capital keep drilling and burning. Afraid to intervene aggressively in markets, they did far too little to build a clean energy alternative.

Then the financial crisis of 2008 and the left revival that exploded in its wake laid bare the failures of the neoliberal project. An alternative political economic project is now emerging—and not a moment too soon. As the Intergovernmental Panel on Climate Change put it, keeping global warming below catastrophic levels will require "rapid, far-reaching and unprecedented changes in all aspects of society."[1] In other words: public investment and collective action.

Fortunately, movements on both sides of the Atlantic have been building strength to mount this kind of alternative to market fundamentalism. On the heels of Occupy Wall Street and Black Lives Matter, Bernie Sanders's 2016 Democratic primary campaign breathed new life into the American left and its electoral prospects. Jeremy Corbyn's election as leader of the Labour Party, spurred by a vibrant grassroots mobilisation, gives those of us in the U.S. hope: if New Labour could give way to Corbynism, surely Clintonism can give way to the left wing of the Democratic party. In the U.K., drawing on tactics from the Sanders campaign, Momentum has developed a new model of mass mobilisation to transform a fossilised political party. It's restoring the dream that formal politics can be a means for genuinely democratic political organising. In turn, U.S. leftists are learning from Momentum's innovations.

The vision of the Green New Deal that has taken shape in the United States in the past few months is in many ways a culmination of the U.S. left's revival. The Green New Deal's modest ambition is to do all that this moment requires: decarbonise the economy as quickly as humanly possible by investing massively to electrify everything, while bringing prodigious amounts of renewable power online; all this would be done in a way that dismantles inequalities of race, class and gender. The Green New Deal would transform the energy and food systems and the broader political economy of which they are a part.

Massive new public investment would create work for millions of people, guarantee everyone who wants one a decent job, invest disproportionately in poor and racialised communities, and establish truly free, universal public services like Medicare for All and free education from preschool through college.

In the longer run, we hope that confronting climate change will also be the occasion for breaking from capitalism. We see the Green New Deal, like its namesake, less as a particular suite of policies than as a multi-decade effort to write a more humane, sustainable, and democratic social contract. But whereas the New Deal ultimately saved capitalism for capitalists, we aspire to channel a new wave of mass mobilisation in a more radical direction.

Even in the short term, we have no choice but to make major changes to the economy's most basic structures. We need more public and more democratic institutions to manage the most important investments at scales large and small. We need to revitalise labour unions and develop new kinds of worker cooperatives, to empower workers' creativity and end shop-floor despotism.

We also see immediate possibilities for increasing worker ownership through arrangements like an inclusive ownership fund. This is possible in even the largest, most capital-intensive parts of the economy. We're heartened to see both the Labour Party and the most progressive Democratic party aspirants, especially Bernie Sanders, embracing this kind of strategy to increase worker ownership and control over private corporations.

In the U.S., we hope to build new connections to those doing similar work in the UK, linking up two nodes in a broader global project to make the climate emergency the key priority for public, egalitarian investment worldwide. We are excited to organise with comrades around the world to invent new democratic institutions for managing economic life—and for empowering people and places to discover new forms of freedom, emancipated from the threat of climate catastrophe and the domination of private profit.

In this, we're inspired not only by Jeremy Corbyn's political success, but by the ideas coming out of his movement's broader project. Thinkers and activists in Corbyn's and Shadow Chancellor John McDonnell's orbits have begun mapping out a transformative program of radical reform. Their core vision is to socialise investment and democratise economic planning, displacing the capitalist class's de facto monopoly on allocating society's wealth and resources.

The idea of a "green industrial revolution" that's arisen from this new thinking promises to decarbonise the production of goods and services, while channeling technological innovation for the greater good, building a new era of public affluence out of the ruins of the carbon-spewing oligarchy.

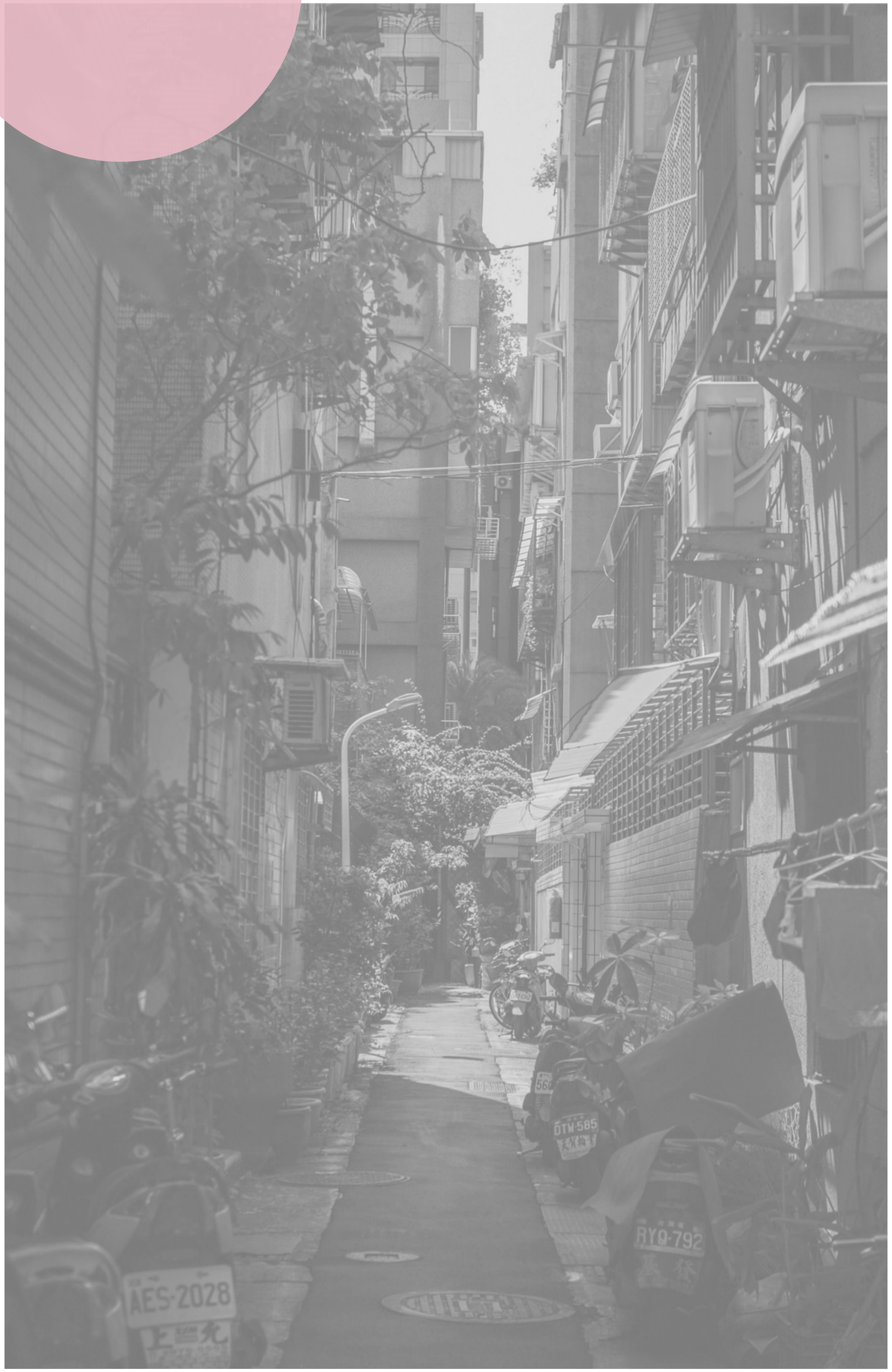
In the United States, insurgent left movements and politicians have taken a cue from Labour's insistence on bold ideas. It's a refreshing shift from the triangulation of establishment Democrats and older left traditions of economic thinking, which need a refresh for the twenty-first century. As George Monbiot, among others, has argued, Keynesianism can't solve the problems we face today [2].

In the U.S., democratic socialists aim to finally drag American social services into something resembling the best of Western Europe's postwar achievements. We want to assure equal, free access to quality health care, college education, and decent childcare and parental leave, even as many of those goods are now under attack in Europe. (Indeed, those modest demands have prompted some of our centrist wonks to join the right in attacking Alexandria Ocasio-Cortez's Green New Deal resolution, scandalised that she dares to imagine that reducing carbon and improving quality of life are mutually compatible.)

But we think we can go much further than catching up. Like our comrades in the UK, we see putting an end to fossil fuels as part of a broader project of building public affluence. We want to foster ecologically sustainable agriculture, reclaim urban and rural land from speculators, build huge new amounts of carbon-free public housing, expand public transportation, and advance new kinds of low-carbon labor and leisure that displace the crude metric of economic growth as the primary objective of public policy.

Altogether, the huge investments that we want to see in public goods and spaces would provide a democratically managed commons of no-carbon public luxury. Shorter work weeks that expand free time in parks, beaches, theatres, and football pitches, along with high quality free healthcare and childcare, would together enable a profound shift. We want to stop using inordinate amounts of energy and straining credit card bills to create and buy crap that giant corporations make but no one needs. Instead, we would dramatically improve quality of life through the provision of high-quality services and infrastructures shared in common, giving everyone countless options for enjoying adventurous lives of surprise, creativity, and connection.

We see one "Last Stimulus" of public investment as a chance to break with capital, including a material growth imperative the planet can't handle, by creating the conditions for a different kind of prosperity.[3] Rich countries have to lead on this, as poorer countries still need space to equitably grow economies and improve living standards. We're cautiously optimistic about the New Zealand Labour government's call to break from GDP as the



principal metric of economic success. Global cooperation could help us identify indicators to better account for material throughput and environmental damage, and the sorts of things we want more of—autonomy, pleasure, health, free time, access to care, and so on. While emphasising these metrics won't put an end to capitalist growth all on its own, it can illustrate the divergence between what's good for business and what's good for people.

We know we need a massive expansion of public power to do what we've outlined here. The work now is to fill in the details of how we get there. Of course, we need more than just ideas. Decarbonisation will require a frontal assault on big fossil capital and the private utilities which have given them cover. Governments around the world now subsidise fossil fuels to the tune of around $5 trillion a year, $659 billion of that from the US.[4] Meanwhile, coal companies that have gone bankrupt in the United States have used that as an excuse to short workers on their pensions and healthcare, further devastating the communities they have damaged for so long. We can expect more of the same with Big Oil. Fossil fuel executives will surely continue to sew themselves golden parachutes as they throw the workers who helped build their fortunes under the bus.

Ironically, those same fossil fuel executives insist that reining in oil, coal, and gas will deprive workers of jobs. Yet research shows that an enormous expansion of clean energy will not only prevent runaway climate change—it can also create millions of new jobs and have massive local health benefits. Done right, this transition could be the occasion for redressing many of neoliberalism's harms.

Thatcher crushed coal miners' unions to inaugurate the neoliberal era. We must ensure that the transition away from both neoliberalism and fossil fuels does not repeat the harm done in those communities. On the contrary, the design and implementation of a Green New Deal transition must be led by the communities, workers, and Indigenous nations who have paid the heaviest price for our current system. We embrace leadership from the frontlines of carbon pollution, mineral extraction, climate disasters, and toxic contamination, as well as economic disinvestment, underemployment, state abandonment, union-busting, and housing precarity—in short, all those suffering from the damages wrought by capitalism, racism, and the climate crisis.

As we zero out the business model of coal, oil and gas, we also need to hold those who have perpetuated it accountable. Fossil fuel executives are responsible for killing tens of millions through air pollution, and endangering the lives of billions by stoking climate breakdown worldwide. Like the tobacco companies whose models they imitated, the oil majors' own scientists had investigated and confirmed the basics of climate science decades before these companies stopped funding right-wing, fake science front groups that misled the public. And those companies are still trying to thwart decarbonisation, albeit now through marginally more subtle means. Ultimately, as we have argued before, we think they should be tried for crimes against humanity.[5]

Instead they're now trying to cast themselves as allies in the climate fight, frequenting UN climate talks and – in the US – lobbying for mild carbon taxes that would give them a backdoor out of lawsuits and regulations. The corporations that caused this crisis have no place in mapping out the solutions to it. Nor should Big Oil's closest allies. Here, the financial industry plays an outsized role. Cross-Atlantic organising therefore has a particularly significant role to play in curtailing the linked power of Wall Street and the City. We must break the power of the financiers and scale up alternative forms of investment capable of funding a rapid, just green transition.

On each side of the Atlantic, a militant working-class movement, galvanised around the promise of a green economy built on living wage union jobs, should be in the driver's seat. We must bring environmental justice movements together with Friday school strikers, Extinction Rebellion with the nurses, teachers and care providers whose work is as essential to this transition as that of solar and wind engineers.

Fortunately, the shift away from the too-small, too-white environmentalism of old has begun in the U.S. The 2014 People's Climate March put 400,000 people in the streets in New York, with black and brown frontline community members in the lead. Alexandria Ocasio-Cortez, whose family hails from Puerto Rico, is taking cues from a climate justice movement led most notably by women of colour. Beyond AOC, some of the strongest supporters of the Green New Deal in Congress have been Rashida Tlaib, Ilhan Omar, Deb Haaland, and Ayanna Pressley – Palestinian, Somali, indigenous, and Black Americans now leading the progressive wing of the Democratic party. The broad popular struggle to attack climate change and inequality together is being led most visibly by representatives of the country's multiracial working class.

We know we can't solve a planetary problem on our own; we see US emissions reduction as crucial not least because it is a condition of possibility for global cooperation. Donald Trump's decision to withdraw from the Paris Agreement was seen by many as a catastrophic break from international climate negotiations. But the international climate process has made little progress—due in no small part to U.S. intransigence and backdoor deals that have torpedoed agreement after agreement and given other countries cover. In this, the UK was too often a willing partner.

We need new kinds of international negotiations and institutions that can pick up the considerable slack left by UN climate talks. A starting point could be an initially small group of countries with governments committed to Green New Deal principles setting collective, binding policy goals, and sharing ideas and practices with anyone embracing the common objectives. Countries at different levels of wealth would be welcome, with particular commitments commensurate to their specific conditions, and mechanisms for redistributive financing and technology transfers among members. This climate justice grouping would ideally grow over time, forming a more ambitious parallel to the UN Process.

To be sure, new institutions of global governance won't achieve their goals without grassroots pressure. For decades, a wide range of left movements and parties, community groups, peasants' organisations, unions, and others, have worked on transnational campaigns to bring some justice to supply chains from below, ranging from fruit production to jeans manufacture to oil and mineral extraction. Social movements' tools have included direct action to block production or shipping, strikes, campaigns for public and private procurement policies, voluntary product labelling, ethical investment advocacy, and more. But with Green New Deal regimes providing institutional channels to radically restructure the economy from above, we would hope for more effective organising across borders from below. This would push states to adopt bolder and more egalitarian policies, while further strengthening peasants', workers', and communities' autonomous economic power. This popular alliance-building could happen in both sprawling gatherings like the World Social Forum, and via more focused, issue-specific networks.

Our vision of sowing popular power and transnational solidarities is the exact opposite of the Fortress Europe that is currently hardening, with its violent border policing and authoritarian rule by bankers. Of course, only some aspects of Fortress Europe are designed to block movement—it is also committed to capital mobility and financial deregulation. Borders and camps for migrants—but open doors for the investor class. Europe's institutions must be radically reformed.

On both sides of the Atlantic, the left must offer a vision to transform global and regional economic institutions that opposes right-wing calls for economic nationalism—and its mythical domestic harmony between the interests of workers and bosses. But we can't abdicate trade to the Davos elites either.

We must also address real grievances with the deceptively-named "free" trade regime. For instance, the idea of a Green New Deal club outlined above could extend to trade policy. What would this look like? For starters, rewriting trade agreements to include stringent labour and environmental standards, including full accounting of carbon emissions in manufacture and transport; reforming the rules governing investor arbitration courts to open them up to lawsuits from labour, environmental, and indigenous activists; and holding US and UK companies accountable for social and environmental impacts throughout their global supply chains. We would abolish restrictive intellectual property rules, which at present deprive the whole world of the benefits of scientific and technical innovation, while locking poorer countries into cycles of economic dependency.

We're inspired by the organising in defence of free movement from the British left, as Brexit threatens to harden British borders and deport thousands of Europeans who have made their homes in the UK. We're similarly heartened by the outcry that met the denial of public services and threat of deportation made against members of the Windrush generation. There can be no left revival, and there can be no climate justice, in one country alone. With xenophobic politicians gaining steam in Europe and around the world, we will need much more organising along these lines to build support for welcoming immigrants and refugees, especially as the climate crisis intensifies, and to rectify the damages of European and American colonialism.

Of course, the cross-Atlantic Green New Deal movement has a lot to learn from the left and the world further afield. We're learning from French public transit policy, German codetermination in industry and sectoral bargaining, Costa Rica's plan for rapid decarbonisation, Scandinavian models for modern welfare and housing, the national ban on large-scale mining in El Salvador, European examples of public utilities, the federation of cooperatives in the Basque region, organising against extractivism in Ecuador, coping with disastrous flooding through popular mobilisation in Kerala, indigenous rights victories in Canada, Brazil's landless movement organising, and much more.

Researching ways to scale up and democratise existing climate policies will be one of the Green New Deal's great contributions to global justice movements. As academics, journalists, policymakers, organisers and more turn attention to the twin crises of capitalism and climate change, we hope a transformative Green New Deal can bolster their efforts, arming movements and politicians to hit the ground running. It wasn't just the wealthy backers of the neoliberal revolution that made them successful, but their commitment to transforming the definition of economic common sense by any means necessary. We might not have a transatlantic coterie of billionaires willing to fund think tanks that help them secure their own self-interest. But we are part of an exploding movement of popular forces who are sick and tired of inequality, and who want to stop climate breakdown.

And as we work toward a new, no-carbon internationalism, we also have a vision: ending inequalities and stabilising the climate; caring for our communities and the planet; and winning freedom and dignity for the many, guided by a solidarity that knows no borders.

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3.2

Shifting Ownership for the Energy Transition in the Green New Deal: **A Transatlantic Proposal**

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To put it bluntly: We are running out of time to solve the climate crisis. Years of solutions based upon technological fixes and market-driven mechanisms have proven too little and too easily strong-armed by fossil fuel and industry interests. With atmospheric concentration of carbon dioxide passing 415 parts per million[1] – unseen in human history – we need a dramatically different approach that quickly makes up for years of lost time. Doing so means challenging the underlying structures of our economy that have stopped climate action for so long: imperatives of growth, extractivism and corporate control. Anything less than radical will not allow us to deal with the urgency of climate crisis, nor create the lasting justice that we need.

The Green New Deal holds potential. With specific policies still at the ideas stage, the narrative surrounding the Green New Deal is one of sweeping action, huge government investment in public infrastructure, and repairing the historical harms of communities disproportionately affected by pollution and climate change.[2] The plan's massive ambition has lit the imagination of those in the United States and abroad. For countries in the global North like the United Kingdom and the US, historic centres of economic exploitation and carbon emissions, action at this scale is an international duty.

But how specifically does the Green New Deal unleash itself from the imperatives of our current political economy? How do we move from constant need for growth, resource (and often colonialist) extraction, and a politic firmly held by corporations, towards an economy based on democracy, justice and sustainability? One strategy is clear: shifting ownership structures at all levels.

This report covers three specific strategies to take on the transformation of the energy sector through public ownership in the US. In all three, there are clear cognates in the UK. First, we tackle the issue of fossil fuel extraction by prompting a federal buyout of the fossil fuel majors. Second, we discuss regional planning and enterprise that can shepherd a just transition for communities and workers in extractive zones as well as other sectors in need of decarbonization. Last, we investigate the potential of energy utility public ownership to kick out a fossilized energy system in favour of energy democracy.

1— Nationalise the Fossil Fuel Industry

Despite the bold ambitions of the Green New Deal Resolution presented by Rep. Alexandria Ocasio Cortez (D-N.Y.) and Sen. Ed Markey (D-Mass.), a crucial piece is missing: stopping the extraction of fossil fuels, or what is often referred to as supply-side action. This is by no means exclusive to the Green New Deal. In fact, the Paris Agreement fails to mention fossil fuels altogether. As over 600 environmental organizations have concluded, addressing the urgent threat of climate change requires affirmative legislative action to phase out all fossil fuel extraction.[3]

After years of inaction on this front, the tides are changing. Understanding the intrinsic relationship between fossil fuels and climate change, two US senators and major contenders for the 2020 Democratic presidential candidacy, Elizabeth Warren (D-MA) and Bernie Sanders (I-VT), have proposed a ban on all new fossil fuel leases on public lands.[4] At the state level action is also mounting, with the state of Oregon killing the huge Jordan Cove gas terminal and pipeline project and Jay Inslee, Washington governor and 2020 Democratic contender, opposing a state gas plant and methanol production facility.[5]

These are major wins for eliminating extraction infrastructure and would be key to any Green New Deal. However, a gap remains. US federal lands account for just 40% of national coal production, a quarter of oil production, and an eighth of gas output.[6] How do we address the remaining fossil fuel production extracted from privately owned lands in the US? Close to 85% of all known fossil fuel reserves need to stay in the ground, requiring us to go far beyond actions that keep unleased public reserves in public hands.[7] We need to secure public control of existing private (and already leased public) fossil fuel reserves.

The timeliest way to accomplish this is for the government to promote a federal buyout of top US-based, publicly-traded fossil fuel companies. Taken together, the 10 US majors, which includes ExxonMobil and Chevron, hold decision-making power over the vast majority of American public and private reserves. While a public takeover of private companies can be executed in a number of ways, a straightforward pathway would be to use the tool deployed during the 2008 Financial Crisis.[8] Back then, the government's financial intervention relied on a policy mechanism known as quantitative easing (QE). Through QE, the Federal Reserve was able to create over US$3.5 trillion between

2008 and 2014, which was then used to bail out banks, insurers, and even the automobile industry – all without burdening taxpayers or spurring runaway inflation.[9] In a clear misstep, the federal government didn't use its majority stake in the rescued companies to radically overhaul the institutions; instead it sat passively and hoped, in true trickle-down fashion, that propping up failing banks and companies would support economic activity and job creation.

For less than a third of the cost, the Federal Reserve could accomplish something much more transformative, by buying out the majority (anywhere from 51% to 100%) of fossil fuel companies' publicly traded shares to secure their control. Answerable to the public and without the growth imperative, the government would be much better poised to manage their decline by directly cutting fossil fuel production from existing and under development sites in accordance with a 1.5 degrees Celsius global heating rise limit – as well as stopping new developments that are clearly outside the carbon budget. Such buyout would also promote the much needed knockout blow to the entrenched political interests of their (now former) CEOs and big bank shareholders, clearing the path for the government – in direct consultation with affected workers and communities – to genuinely design, build, and govern the just transition.

Home to some of the world's largest publicly traded fossil fuel companies – namely British Petroleum and Shell UK – the UK could equally benefit from a QE-financed policy that takes back control of their reserves (including Clair field, the largest oil field in the UK continental shelf).[10] The Bank of England has previously used QE to create almost half a billion pounds, which further fueled wealth inequality and favoured high-carbon industries.[11] Instead, it could use QE to manage the decline of the 5.7 billion barrels of oil and gas already in operating fields that, if extracted, will blow the UK past its Paris Agreement goals.[12] The UK Labour Party has expressed interest in nationalising core pieces of infrastructure for the common good (including for climate-related reasons). It is time to apply this same reasoning to Big Oil.

Nationalising the fossil fuel industry in both the UK and US would reverberate across the globe. As two epicentres of major fossil fuel company headquarters, home of extraction points like the Permian Basin in Texas and the North Sea, and printers of two of the strongest currencies that underpin the global financial system, buyouts for a managed decline of fossil fuel production could take the industry out at the knees.

2— Regional Planning for a Just Transition

As the government closes the valves of the fossil fuel industry, we need a clear and just transition plan for the workers and communities that have been historically tied to these extractive industries. To date, the transition plan in US coal country has consisted of companies declaring bankruptcy, terminating medical benefits for retirees (whose lungs are irreversibly damaged by the work), weaselling out of pension fund obligations, and cutting current jobs with limited options for new employment opportunities. Westmoreland Coal in Kentucky filed for bankruptcy in October 2018 leaving more than 250 active employees, 1,000 retirees and spouses of deceased miners affected, including a collective loss of $329 million in retiree benefits.[13] Meanwhile, its executives receive bonuses of up to $1.5 million a quarter.[14]

Nationalising the fossil fuel industry gives us the chance to flip the script on this transition, putting workers and communities at the centre. We have the opportunity to build a dovetailing strategy that can simultaneously revitalise extracted communities (from fossil fuels but also other extractive tendencies within our society) and mobilise the US toward a zero-carbon future. Through regional planning and public enterprise strategies we can, for swaths of the country, consider the worker, community, and the environment in tandem.

As we contemplate the potential of the Green New Deal to effect this transition, we can look to historical examples from the original New Deal. Former US President Franklin D. Roosevelt created the Tennessee Valley Authority (TVA) in 1933 partially as a strategy to electrify rural America (in which only one in 10 homes had access to electricity at the time) and partially as a major jobs initiative in a region where farmers and workers were struggling to get by. A federally-created public company, the TVA worked alongside other New Deal agencies like the Civilian Conservation Corps, a jobs program for young unmarried men, state agencies and local universities to execute large-scale projects.[15] Today the TVA is the largest public power company in the US – still serving many of the surrounding states with electricity.[16]

The picture wasn't all good jobs and bright lights, though. As Derek Alderman puts it, "Despite the progressive, reconstructive focus of TVA [...] the Authority perpetuated and further legitimised a Jim Crow style of racial discrimination against African Americans through its employment practices and community planning."[17] The TVA used eminent domain to displace farmers, in particular pushing black families off their land without fair compensation and rarely extending the same job opportunities to people of colour. The National Association for the Advancement of Colored People (NAACP) criticised the project as "lily-white reconstruction."[18] TVA is not alone in its structural racism – both urban and rural planning in the US have operated on discriminatory design principles to date.[19] Consequently, communities of colour are burdened with a disproportionate amount of pollution as gas plants are built in black backyards, pipelines plotted through indigenous land and highways cut through Latinx communities.[20]

While TVA's history is tied to racial segregation, there is an alternative for regional planning. In fact, a brief by American think-tank PolicyLink describes the need for regional equity strategies, "Economic development [...] extends beyond cities to regional economic clusters; environmental issues exist within bioregions; and social issues cut across neighbourhoods."[21] If these regional projects are more democratically accountable, they could have "great potential for community change that is racially and economically just," says longtime environmental justice activist Robert Bullard.[22] Doing so will mean centering community and public ownership so the benefits are not exported, and that public authorities create participation methods from the outset that put control in the hands of community leaders, trade unionists and local political appointees.

We could imagine a series of regional authorities in the US decarbonising and revitalising the geography. Federal funds could be funnelled to the locally controlled authorities, where communities could co-create their regional development plans. For instance, the plains of Texas and Oklahoma – currently covered by fracking rigs – could be redeveloped into centres for wind power. Working alongside unions and community members, job centres could transition workers from oil fields to wind farms.

The Detroit Democratic Socialists of America (DSA) have proposed a Great Lakes Water Authority that follows this strategy. The plan seeks to "Make The Rust Belt Green" by repurposing General Motors' closed plants for green manufacturing, employing workers to weatherise houses to lower both carbon and energy poverty, and repair water infrastructure in one of the most important freshwater sources in North America, the Great Lakes. The Authority proposal puts frontline communities like Flint, Michigan (where public water is non-potable) at the centre of economic transformation, allocating additional resources to make up, at least in part, for historical wrongdoings. It also has strong language around living wages, the right to unionise, and educational grants for skills training.[23]

The UK presents similar ideas for just transition planning at the regional level. The UK's North hosts the majority of coal, oil, and gas production infrastructure that currently supports 28,000 jobs[24]. The Institute for Public Policy and Research (IPPR) proposes a Just Transition Commission for the region in order to plan the decline of the fossil fuel industry. This is the type of regional planning that will be necessary to think holistically about how we move from a paradigm of extraction and towards a regenerative – and reparative – economy.

3— Energy Democracy and Public Utilities

Another clear question of the energy transition is: What renewable energy system are we trying to build? At the beginning of this report we talked about the paradigms of the current energy system – extraction, unfettered growth, and corporate control. Now we must lay the groundwork for the next paradigm – one built off renewables, democracy, and community wealth. The term "energy democracy," a commitment to resisting fossil fuels while building a community-controlled and just renewable energy system, is gaining momentum as a movement, a goal, and a rallying cry that articulates that future.

Energy democracy manifests itself in many ways, including community-based solar, strategies for vibrant, affordable green housing, and even resisting pipelines. One thing that has become clear in achieving these strategies is that for-profit energy utilities stand as a major structural impediment to action. These energy utilities have strangleholds over the energy system and they are not willing to deal with the realities of climate change; instead they are more interested in bottom lines and big cheques for executives. When the effects of climate change do hit them, they put the burden on the state and their customers. This epitomises the privatisation of gains and socialisation of losses inherent in the current system.

The investor-owned utility Pacific Gas & Electric (PG&E) in California is a clear example. A combination of PG&E's faulty transmission lines and climate change-induced drought sparked huge wildfires across the state, killing at least 86 people and razing the entire town of Paradise.[25] Now burdened with the significant cost of the wildfires, the utility is looking for a government bailout that would put the costs on customers.[26] In Virginia, Dominion Power has exerted almost total political power, swindling ratepayers to pay for unnecessary pipelines so the company can generate more natural gas export business.[27]

In the last couple of years, we have seen a major resurgence of utility takeover campaigns. Communities are fed up with political power plays and climate inaction. From cities like Boulder, Colorado seeking to take the utility into the city's hands to achieve their climate goals to the entire states of Maine and California looking to kick out investor-owned utilities in favour of a public system.[28] In fact, fights against these multinationals are transatlantic. The utilities that the Labour Party hopes to nationalise to avoid climate catastrophe, referred to as the "Big Six," are some of the very same companies holding the energy system hostage in the United States.[29] For instance, there are campaigns both in Rhode Island and more recently in Massachusetts to "#NationalizeGrid" – National Grid, a UK for-profit company operating in both "New" and "Old" England.[30]

The move to bring energy utilities under public ownership as part of a larger decarbonisation strategy also has a historical precedent in the original New Deal. During the 1920s, rural America stayed dark as cities electrified. Investor-owned utilities didn't think rural electrification was a profitable endeavour and refused to enter rural territory. This has a clear resemblance to utilities' climate inaction, where they see decarbonisation as a social value outside of their concern. The Rural Electrification Administration (REA) jumpstarted rural electrification by providing patient capital, technical expertise and legal authority for farmers and communities to band together to start their own utilities either as electric cooperatives or public enterprises.[31] The project was rapidly oversubscribed and electrified 90 per cent of rural America in just 10 years.[32]

A similar national-level project like REA could be started in the United States to provide a catalytic tool for these campaigns – something called the Community Ownership of Power Administration.[33] By deploying much-needed financing and capacity-building to design and build a publicly-run energy utility, municipalities, regions, or even whole states or provinces could take the reins from their for-profit utilities. Those funds could be used to invest in a vibrant local economy based on energy democracy, on such priorities as energy efficiency, shared solar and electrification, and good jobs to do it all.

Taking the grid back into public control via a Green New Deal provides a foundation for building the next energy system and supporting energy democracy more broadly. Across the US and UK, our energy future could be removed from for-profit hands in favour of renewable energy, deep democracy, and redistributed wealth.

4— Conclusion

In Washington, D.C., young activists sat in on Democratic Leader Nancy Pelosi's (D-CA) office, refusing to leave until she committed to a Green New Deal. The youngest member of Congress, freshman Rep. Alexandria Ocasio-Cortez (D-NY), joined the protest on her first day in DC, rebelling against the status quo. Now, Democratic presidential candidate and centrist Joe Biden talks on the campaign trail about a "middle ground" climate plan, implying that the Green New Deal is much too radical.[34] In London, Extinction Rebellion recently held 10 days of "strategic disorder," blockading roads, bridges, and commerce to demand action in the face of climate crisis. In response, Mayor Sadiq Khan addressed the activists by telling them that he too cared about the climate, but it was time to let the city go back to "business as usual."[35]

There is no more business as usual; there is no more middle ground, particularly for the US and UK. The UK birthed the coal-fueled Industrial Revolution and has treated much of the world as its resource colony. The US is the biggest historical emitter in the world, barreling into other countries to get access to new oil. We must recognise the duty of these two countries to the rest of the world to decarbonise rapidly and to untangle the web of historical harms caused by the exploitative economies that they imposed around the world.

US-UK transatlantic coordination for the Green New Deal on policies like the ones proposed here could reimagine the very foundation of our economies. A solidarity nationalisation plan, for example, would allow these two countries to partially secure the ownership of four (ExxonMobil, Chevron, BP and Shell) out of the five biggest oil companies in the world.[36] Usurping utilities like National Grid on both sides of the Atlantic would unleash the potential for energy democracy to flourish. Regional planning could shepherd in a just transition and enable democratically designed, large-scale decarbonisation. If we fail to enact such radical plans and shift ownership, we will be left with incremental steps that skyrocket us way beyond 415 parts per million and expose communities to economic and climate chaos.

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3.3

Beyond the Petrodollar Regime

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Climate change is the product of structures, not just policies. The political-economic system that has produced the real prospect of climate catastrophe is one that the British state has played a lead role in constructing and maintaining. British capitalism and state power internationally have long been deeply implicated in the economics of fossil fuels – in the broadest sense of the term – and have a vested interest in perpetuating the status quo for as long as they can get away with it. If we are to stand any chance of preventing a cataclysm, we need to understand this particular web of interests in terms of how it came together, how it operates today, and how it can be dismantled.

We tend to divide the post-war international political economy into two historical epochs. From the 1940s until the 1970s, the broad consensus was for social democratic Keynesianism, where the state played a central strategic role in a mixed capitalist economy. Then, from the 1980s onwards, the neoliberal era saw the progressive gains of the previous decades rolled back, as the dubious logic of market efficiency was invoked to justify a radical shift in the relationship between the state and private capital, to the benefit of the latter. What is not fully appreciated is the part that a significant set of nationalisations played in the chain of events that broke the Keynesian consensus and ushered in the neoliberal era.

In continuation with the prior history of capitalism, post-war social democracy in the West was built, to a large extent, on the exploitation of the global south. Key commodities such as fossil fuels were secured on favourable terms, not through free trade, but through the power relations and structured forms of state violence at the heart of the imperial project. Oil was extracted, refined, shipped and sold by Western firms enjoying outrageously iniquitous commercial relationships with global south producer states whose governing elites often owed their position to military and diplomatic support from the imperial powers.

Take one episode as an illustration. In 1951, the Iranian government took control of the country's oil industry from the Anglo-Iranian Oil Company (now known as BP), intent on securing export revenues for poverty alleviation and economic development. If there was one thing Britain's post-war Labour government was not going to stand for, however, it was the nationalisation of a major industry to serve the economic needs of the masses. Crippling sanctions were imposed on Tehran by the Attlee administration, paving the way for a CIA-MI6 organised coup in 1953 under the subsequent Conservative government, and the ensuing quarter century of the Shah's sadistic rule. Reliable economic management had been restored, at least for the time being, but the forces of anti-colonial nationalism in the region could not be fully suppressed.

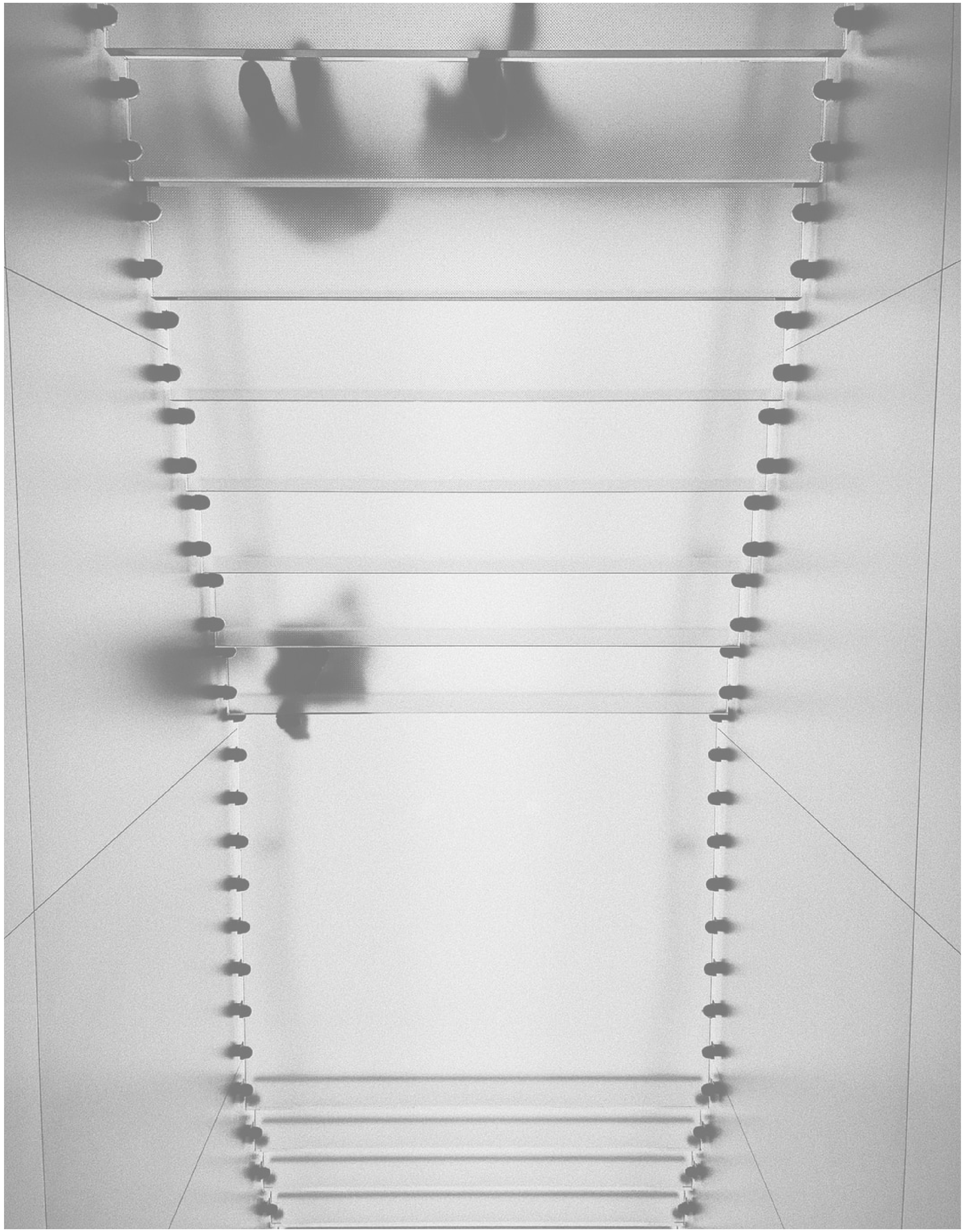
Gradually, through the 1960s and into the 70s, the oil industries of the global south producer states were taken under state control, either by radical nationalist governments or by conservative regimes scared of being outflanked and politically undermined by their radical counterparts. The culmination of this process was the 1973-74 oil crisis, when the producers used their newly secured control to both raise prices and apply geostrategic pressure on the West for its support of Israel during the October 1973 Arab-Israeli war. The result was twofold: a seismic worldwide inflationary shock dealing a hammer blow to the post-war Keynesian consensus, and the emergence of the 'petrodollar' as a vital lubricating element in the coming transformation of the global economy.

As the oil crisis sent producer state revenues skyrocketing, much of this petrodollar capital was recycled, via Wall Street and the City of London, into loans to global south countries negatively impacted by the inflationary shock. When the US Federal Reserve sharply increased interest rates to combat inflation, those south countries who had borrowed in dollars to weather the storm were plunged into sovereign debt crises, which in turn provided the opportunity for the West to impose neoliberal structural adjustment programmes on southern debtors, on terms favourable to their own corporations and investors. The nationalisation of fossil fuel production, particularly in the Middle East, had thus helped to create the conditions in which the post-colonial state-led development model elsewhere in the south could be dismantled, and in which Western capitalist interests could be reasserted worldwide through the emerging neoliberal paradigm.

The cracking open of global south economies was not the only way in which the imperial powers gained from the rise of the petrodollar. With the shift in emphasis (specifically in Britain and the United States) away from export industry and towards financial services, trade deficits opened up, which needed to be balanced by capital inflows from abroad. Gulf petrodollars were available to help meet this need, with the burgeoning Anglo-American financial complex on hand to absorb them. Growing Gulf economies also became a lucrative export market for the West, helping to contain trade deficits to some degree. These processes were slightly in abeyance during the oil price slump of the 1980s and 1990s, but went into overdrive as the price soared in the first decade and a half of the 21st century, when demand for fossil fuels sharply intensified in the context of a global economic boom.

By the eve of the 2016 Brexit vote, the Gulf Arab monarchies had amassed nearly $3tn in sovereign wealth, 40% of the world's total, while Britain's current account deficit had swelled to a potentially concerning extent, beyond 5% of GDP.[1] Saudi Arabia accounted for a fifth of the net capital inflows financing that deficit while, thanks to the boom in exports of goods and services to the Gulf, Britain enjoyed a current account surplus with those states equivalent to 11% of its worldwide deficit (cancelling out the combined deficits with France and Japan, for example). Gulf wealth generated by fossil fuel production was therefore playing a significant role in sustaining the UK's neoliberal economic model. This was dramatically illustrated in 2008 when the Treasury was spared the need to bail out Barclays Bank as gas-rich Qatar stepped in to rescue the troubled financial institution with a major capital injection, a deal which led to fraud charges against four of Barclays' senior executives[2].

State violence remains a core component of these international relationships. A key strategic aim of the British state since the end of formal empire has been to remain a significant military force in the world, capable of supporting the US in enforcing 'stability' on the West's terms, particularly in the fossil fuel heartlands of the planet. Britain cannot retain that status without its own arms industry, since dependence on foreign arms imports means operational and strategic dependence as well. But military production is expensive, hence the importance of arms exports to the British government, despite their dubious benefit to the wider national economy. Exporting a proportion of the weapons Britain makes for its own use renders the arms industry far more economically viable. And



here again, Gulf petrodollars have a key role to play.

Since the end of the Cold War, UK arms sales to the Gulf monarchies, and Saudi Arabia in particular, have steadily risen, while those to the rest of the world are locked into long-term decline. The Gulf autocrats now buy over half of Britain's arms exports, including the major weapons systems responsible for a series of atrocities in Yemen, alongside the creation of the world's worst humanitarian disaster. Domestically, Gulf monarchical rule is buttressed by arms supplied by the West, internal security forces trained by the West and, in the final instance, security guarantees provided by the West.

The flow of fossil fuel revenues into the City of London and the UK arms industry is therefore explained less by pure market forces and more by the existential needs of anxious and insecure monarchies determined to remain on good terms with the global north powers on whose protection they have always depended. On our side, Gulf petrodollars help to sustain British neoliberalism, as well as the systems and means of violence that have long been intrinsic to the UK's foreign relations. This state of affairs may generally be poorly understood and of little value to the general public, for whom the benefits of the status quo on economic and foreign policy are increasingly hard to discern. But it is highly valued by some of the leading elements of British capitalism, and within the conventional ideology of British politics itself.

So it is not just that there are fundamental vested interests at stake in the carbon economy for the likes of BP and Shell. Or even that those vested interests extend to the City of London and the British arms industry. It is that from Riyadh, Doha and Abu Dhabi to London, entire structures of power and wealth depend on the revenues generated by the continued production and consumption of fossil fuels, irrespective of whether those processes are destroying the prospect for decent life on earth. In confronting the looming disaster, therefore, we have to look beyond the level of policymaking to the overarching systemic context.

As is so often the case with the climate crisis, a huge change is coming whether we like it or not, and the real question is what our role will be within it. In 2015, scientists at UCL concluded that 33% of the world's oil and 49% of the world's gas are going to have to stay in the ground just to restrict the global temperature rise to 2 degrees Celsius, which itself may not be enough to avert a runaway catastrophe.[3] In other words, even if you are a fan of British neoliberalism and British military power, the petrodollars that have played such an important role in sustaining them may begin to dry up in the not too distant future.

The demand-side changes driving this process will not be under Britain's control. Fossil fuel exports from the Gulf are increasingly oriented towards East Asia, so consumption there is the origin of a large proportion of petrodollar revenues. China in particular has major incentives to reduce its reliance on these imports. Dependence on Gulf oil and gas places Beijing in a position of real strategic vulnerability given that the Middle East has historically been dominated by the United States and its allies. China's big shift to renewables, if paralleled by similar changes across East Asia, could drastically reduce the pool of petrodollars available for recycling, to Britain or anywhere else. Bad news for Britain's arms dealers and for Britain's balance of payments, albeit better news for the planet.

Even those still clinging to a view of British neoliberalism as the pinnacle of sensible economics and British militarism as a benign force for good in the world, will be forced to contend with these changing realities. The inescapable challenge is now to construct a new political economy that is both zero carbon and petrodollar-free. That means reducing the current account deficit to negate the effect of a sharp reduction or loss of petrodollar investment, and dismantling a petrodollar-dependent arms industry whose key enabling role in the horrors of Yemen should seal its fate in any event.

Research by Campaign Against Arms Trade[4] indicates the potential for a recalibration of our high-technology manufacturing base away from weapons production and towards the urgently required development of renewables. A significant reduction in domestic military procurement and an elimination of subsidies to the arms industry would save billions that could be reinvested in the development of a green industrial base. For example, many current arms industry jobs could be transferred over to renewable energy generation (particularly marine and wind) and the related supply chains, given the broad overlap in both the skills involved and the geographical areas affected.

To the extent that these shifts, and the wider green industrial strategy in which they must be embedded, will result in the production of exportable technologies, this could:

- Provide a boost to visible exports;
- Narrow the current account deficit
- Reduce the UK's dependence on foreign capital inflows just as the petrodollar supply begins to dry up.

The dogmatic commitment to the neoliberal economic model and to a foreign policy with a strong military component has resulted in a vacuum of thinking on these urgent and unavoidable issues. Much more focused research and detailed policy development on the shift from weapons to renewables production will therefore be required in the immediate future.

A policy of 'arms to renewables' could have serious, positive implications for British foreign policy, potentially bringing the militaristic post-imperial hangover to a long overdue conclusion. The dramatic diminishing – perhaps eventually the end – of the arms industry could herald a shift of focus from military power projection to multilateral diplomacy. Instead of fuelling instability, conflict and the conditions that produce terrorism from both state and non-state actors, Britain would be producing the technologies that equip us to meet the single greatest security threat humanity has ever faced. In doing so, it could shift its own domestic economy away from financial services and towards a new high-technology export industry based on secure and skilled employment.

Meanwhile, in the fossil fuel heartlands of the Middle East, the drying up of petrodollar wealth and the potential consequent loss of great power protection would severely undermine the stability of some of the most severe dictatorships in the region. The weakening of these forces of counter-revolution and repressive violence would dramatically enhance the prospects for those millions across the Arab-majority world who came onto the streets in 2011 demanding 'bread, freedom, social justice', and who, as recent events in North Africa demonstrate, are still very much prepared to fight for those basic rights. The end of the petrodollar could be a positive opportunity not only for Britain, but for the peoples of a region that have long suffered at the hands of British power and its local and international allies. A petrodollar-free future can and must be on its way, and that future could be a bright one. But the process of adaptation has to begin now.

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3.4

Reforming the Bretton Woods Institutions to support a global Green New Deal

Miriam Brett

A decade on from a financial crash so cataclysmic in its force that its impact is still felt today, a crisis of multilateralism engulfs the future of international cooperation. From climate breakdown to the global inequality crisis, the pressures facing the survival of our people and planet are global in their nature and require a multilateral response. Yet it is precisely at this critical time that its future looks increasingly uncertain. Amid the chaos, a flurry of new ideas and visions have emerged and, while much of this space has been coopted by the radical right, the Green New Deal provides an opportunity for a broader reimagining of a sustainable global economy.

If this bold agenda is to be genuinely transformative, it must begin with an understanding that the economy and ecosystem are interwoven, and recognise that concrete efforts to safeguard against climate breakdown necessitate a reimagining of the global financial rules. The radical task of ecological transformation to avoid irreversible climate disaster requires challenging misguided assumptions underpinning areas of mainstream economics: Without, for example, acknowledging that extractive financial networks undercut the tax revenue required for green job creation, that decades of hacking away at regulation has fuelled the dilapidation of our ecosystem, or that the default response to crises management undermines the capacity for state-led democratic ownership of a just transition, the Green New Deal will fall short of being truly transformative.[1].

A limitation of the Green New Deal in its current form as proposed in North America is that its state focus does not address underlying concerns amassing from an integrated global economy, falling short of capturing what Adam Tooze describes as 'the amorphous global conglomerate'[2]. The twin goals of climate justice and social justice espoused by this idea are bigger than any state. Operationalizing a form of global Green New Deal will require a joined up approach between states, regions, banks, a medley of public and private actors and international financial institutions alike[3].

This year marks the 75th anniversary of the creation of the International Monetary Fund (IMF) and World Bank, following the Bretton Woods conference of 1944[4]. The institutions have departed from their Keynesian roots, expanding their perceived mandates over the past three-quarters of a century to become vehicles through which the pillars of neoliberalism – privatisation, austerity and deregulation – have been channeled, often paving the way for a deepening of financialisation[5]. Such measures have been met with decades of protest, uprising, and resistance from civil society around the world. Last year alone, campaigners called for an end to the World Bank-backed privatisation of water in Jakarta[6], and anti-austerity protests erupted amid IMF programmes in countries such as Tunisia[7], Argentina[8], Jordan and Brazil[9].

While the landscape is changing - in no small part down to proliferation of new multilateral development banks and China's escalating role as a global lender - the Bretton Woods Institutions remain massively influential, as do states like the UK that play an powerful role in driving their agendas. From their neocolonial governance structures to their market-first approach, status quo international development finance is not yet compatible with the twin goals of the global Green New Deal. With just over a decade left to stop irreversible climate breakdown, tinkering around the edges is not an option.

The following sets out some of the key barriers to achieving a such a deal under the current policies and practices of the Bretton Woods Institutions, and offers steps – shaped by key, demands from global civil society organisations and trade unions – that states like the UK could take to help this transformative vision.

1— Sustainability is in the grip of finance – we need to reclaim it

As the climate crisis escalates, the push for divestment[10] from fossil fuels has celebrated important wins — not least the pledge by the World Bank[11] to cease project lending for 'upstream' oil and gas projects after 2019 — but a full just transition is far from a reality,[12] as climate activists call for an end to other fossil fuel funding and improved accountability mechanisms to monitor progress.

A recent drive to push market-based solutions to achieving the Sustainable Development Goals has sent alarm bells ringing among activists. The controversial Maximising Finance for Development strategy[13] being advocated by the G20 and World Bank Group is an illustration of such a drive. Here, they have embarked on a re-engineering of finance to maximise the profits of new asset classes, rooted in a volatile shadow banking system to enable so-called investable opportunities in areas such as water, health, education and infrastructure. In light of this, academics, led by renowned shadow-banking expert Daniela Gabor, called for a reformed agenda in line with the Paris Agreement and the Sustainable Development Goals, as well as a resilient global safety net and a framework for managing volatile portfolio flows into local securities markets[14].

Research by Somo[15] furthermore revealed that by encouraging a 'light touch' approach to lending by using third-party financial intermediaries, the World Bank's International Finance Corporation (IFC) — with a portfolio worth a colossal $57 billion — has been embroiled in a string of environmental and human rights scandals. Moreover, as highlighted by Counterbalance[17], adding to the alarm is a new generation of top-down mega-infrastructure projects that envisage infrastructure as a financial asset class[18]. And, as Xavier Sol points out, critiquing infrastructure is often challenging:

> *"How is it possible to criticise an infrastructure-related agenda in countries where basic needs of the population – which could be well served by better infrastructure and public services – are not met? At the same time, the multi-faceted impacts and dimensions of such infrastructure projects – ranging from transparency, corruption, tax, debt, poverty eradication, human rights and environmental impacts – imply that a great diversity of local communities and social movements will inevitably face the challenges raised by this agenda in the coming years and decades."*[19]

Experts and campaigners have called for an end to an approach that seizes wealth from communities, often with harmful environmental outcomes, and for infrastructure that prioritises social and environmental justice, including exclusions for coal and upstream oil and gas financing in all financial intermediary investments, and to help past damages by ensuring financial intermediary clients redress affected communities. There further remains a need for a consensus between institutions, such as multilateral development banks and investors, about what precisely constitutes as sustainable infrastructure - including how best to align infrastructure projects with national and international climate commitments and human rights obligations, as well as a need to integrate comprehensive consultation with project-affected communities[20].

Discussions around plugging the infrastructure gap in accordance with a just transition must also involve concrete steps towards debt restructuring and relief, as discussion below, as well as elevating the financial instruments needed for low-income countries to see a just transition, such as increasing grants-based financing and expanding concessional lending – a point of particular importance for wealthy states like the UK. Predicated on the basis of making polluters pay, organisations such as Stamp Out Poverty have proposed a Climate Damages Tax, meaning that those responsible for the climate problem could raise approximately $300 billion a year for Loss and Damage to support the most vulnerable deal with the worst impacts of climate change[21].

Another way in which selling development finance to the market is transforming infrastructure investment in to bankable projects is through public-private partnerships (PPPs), which have been aggressively exported by the World Bank and, to a much lesser extend, the IMF[22]. The World Bank among other international actors has attempted to leverage the private sector under the guise of achieving the SDGs and plugging the infrastructure finance gap. As illustrated by the trail of devastation [23] left in the wake of the Carillion collapse, PPPs carry problems such as contingent debt liabilities that squeeze the fiscal space needed for public investment – a point of particular concern in fragile and low-income economies. A World Bank-backed PPP hospital in Lesotho, for example, was revealed in a 2014 report[24] by Oxfam International to have locked one of the poorest nations on the planet into an 18-year contract that consumed more than half of its annual health budget, and a recent Eurodad report[25] exposed that such partnerships often carry devastating social and environmental consequences.

Disappointingly, the UK continues to play a central role[26] in exporting this failed model. Last year, over 150 global civil society organisations called for an immediate moratorium on all PPP[27]s and for support to be provided to countries to find the best financing method for public services in social and economic infrastructure.

The need to hold the institution to account for its decisions is of particular importance following the historic US Supreme Court ruling[28] against World Bank's claim of absolute immunity, after Indian fish workers sued the IFC for harm caused by a coal-fired power plant – a move that shadowed calls for bolstered accountability and transparency in areas such as the World Bank's weak safeguards [29] in forest protection, which campaigners argue has harmed communities and failed to protect forests.

Changing the ethos of finance in relation to climate breakdown must also extend to other actors, such as central banks, and a commitment to a joined up approach between the financial sector and international institutions. Following pressure from the likes of the New Economics Foundation, 34 central banks and supervisors representing five continents – and 50 per cent of the global greenhouse emission – supported the monitoring of climate-related financial risks in day-to-day operations, the integration of sustainability in to portfolio management, enhancing assessment of climate-related risks, and building in-house capacity and sharing knowledge with other stakeholders on management of climate-related financial risks. Disclosure alone, however, is not enough to inspire the systemic change needed - mandatory enforcement would be a more tangible step towards greening finance.

2— The need to reimagine crisis interventions in an age of climate disaster

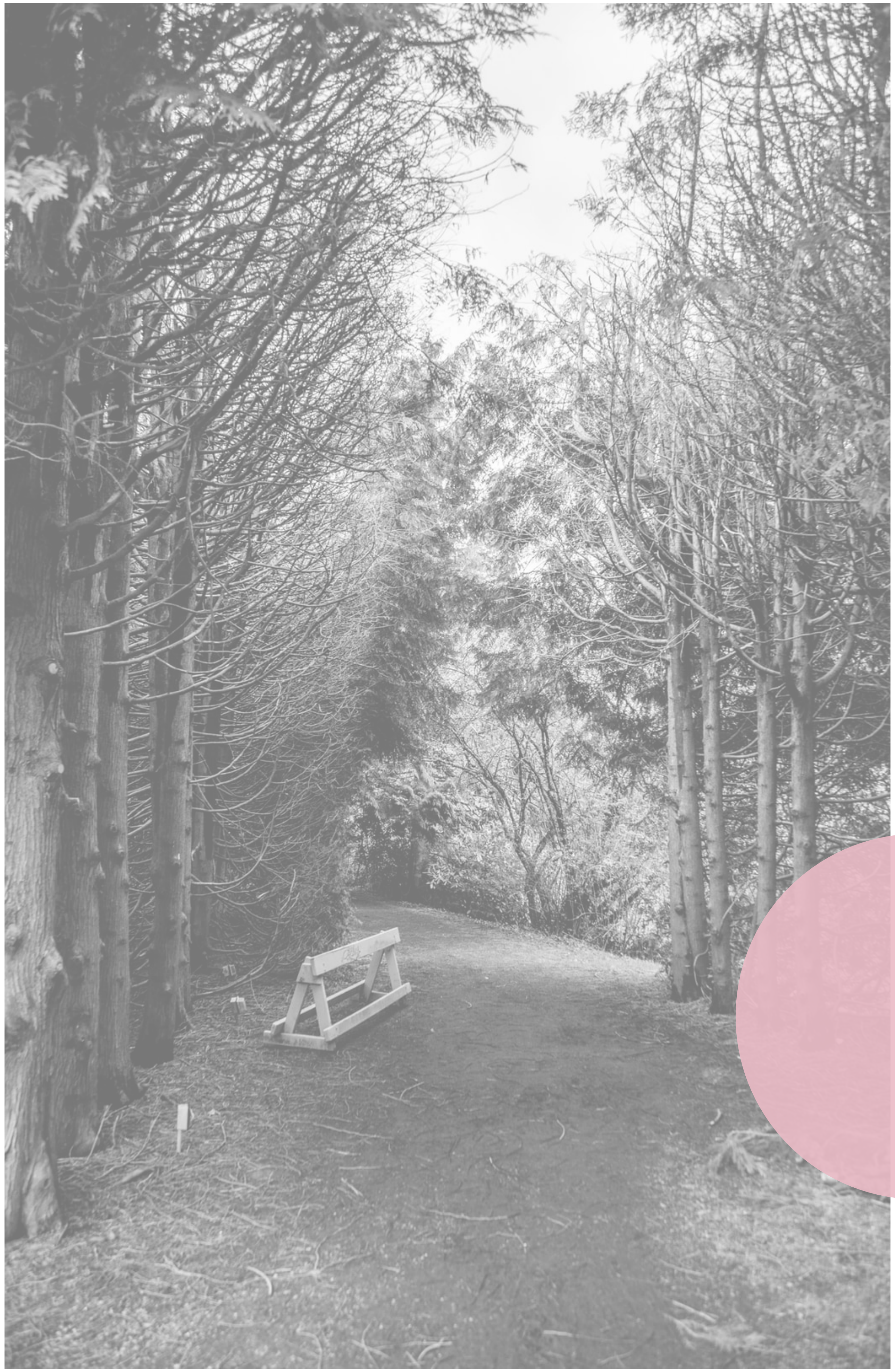
The default response to economic crises management has been to impose contracting fiscal and monetary policies, usually accompanied by a series of structural reforms such as attacks on workers' rights and wages, social security and pension cuts, deregulation, and privatisation, in order to meet the rigid fiscal targets.

The current treatment squeezes the fiscal space necessary for long term, transformative, sustainable investment needed to make the Green New Deal a reality. As illustrated in the case of Jamaica, where the IMF requires a primary surplus of 7 per cent of GDP, the short-term approach of meeting severe fiscal benchmarks hinders the long-term investment needed for a just transition. Concerns such as this add weight to the growing movement, led by the Wellbeing Economy Alliance, to transgress beyond such narrow fiscal benchmarks as the measurement for a healthy economy.

Moreover, the promise of cutting your way to prosperity has not materialised, and the corrosion of the state has often had a detrimental impact on the health, training, qualifications and livelihood of the workforce. For the jobs potential of the Green New Deal to be achieved, it will require investment in universal, publicly owned vital services – in accordance with internationally agreed development goals – to support workers.

Thus far, the IMF's primary contributions to the climate debate have focused largely on carbon pricing and energy subsidy reforms in particular. In order to address the twin goals of the Green New Deal, the basic policy decisions of the IMF will need to be re-evaluated.

Such decisions do not exist in a vacuum, as demonstrated by recent research revealing that structural adjustment increases income inequality, and further that the current approach is hindering the ability of governments to fulfil internationally-agreed human rights obligations. Indeed, a UN report last year criticised both institutions' aggressive promotion of privatisation, arguing that widespread privatisation of public goods in many societies is 'systematically eliminating human rights protections and further marginalising those living in poverty.' A Eurodad report



found a grand total of 506 conditions attached to 53 World Bank Development Policy Operations, and while the IMF has taken important steps to changing its attitude in recent years in areas such as gender and inequality,[30] the integration of this into its mainstream policy agenda has been slow. Another Eurodad study[31] found that in IMF programmes approved in 2016-17, 23 out of 26 programmes were still conditional on austerity, and the IMF's own conditionality review this year found[32] that structural conditions have been on the increase.

Entangled in the austerity debate is a need to explore alternative means of creating fiscal space, as suggested by the International Labour Organisation, such as the re-allocating public expenditures, wealth taxes, clamping down on tax avoidance, debt relief and restructuring or the adoption a more accommodative macroeconomic framework. Indeed, last year, over 50 global civil society organisations wrote a joint letter to the IMF, calling on the institution to radically rethink its approach to conditionality in favour of one that protects the achievement of Sustainable Development Goals and human rights commitments – a move that would completely transform conditionality.

As well as their policy influence over international financial institutions, the extractive domestic policy of many wealthy economies often eats away at tax revenue needed for a just transition in other states. The UK – and its collection of tax havens - is a prime example of a financial system engineered to perform precisely this. A Tax Justice Network report[33] found that UK territories and dependencies made up eight of the ten jurisdictions who received the highest corporate tax haven scores for enabling tax avoidance – just one of the many toxic legacies of colonialism embedded in the global ecosystems of finance. Given that the exploitation of tax loopholes and use of tax havens is estimated to cost developing countries $100 billion of lost corporate income tax, it is clear that in changing the rules of finance will require a fundamental redesign of the current abusive tax system. A good start for the UK would be to adhere to the demands of the G77, representing over 130 developing nations, who called for the creation of a UN intergovernmental tax body to push governments to commit to not corrode the tax yield of others. Moreover, the UK's irresponsibly low corporation tax rate teamed with an exploitative tax haven network fuels a global race-to-the-bottom. Over the past decade, the UK's main corporate tax rate has been slashed from 28 per cent to just 18 per cent, and soon to be cut further to just 17 per cent. IMF research demonstrates that if multinationals were to be taxed in line with the countries where employees work, developing countries would see their tax yield rise by over 30 per cent on average [34].

Loan conditionality, technical assistance and policy advice is further seen to deteriorate the sovereignty of borrower nations, corroding the state-led democratic ownership of economic and development strategies. Adding to this is the criticism that lending programmes protect creditors while failing to address the underlying causes of debt, paving the way for a future of monstrous debt-service payments, which, as stated by experts such as Dinah Musindarwezo, disproportionately harm[35] women and minorities. This is of crucial importance when dealing with unprecedented climate breakdown.

Entire regions such as the Caribbean are intensely vulnerable to climate crisis-related disasters. As noted by Jubilee Debt UK[36], damage in Dominica from Hurricane Maria alone has been estimated to amount to the equivalent of 330 per cent of GDP. Another illustration of climate destruction is that of Mozambique, which was recently hit by two devastating cyclones in the immediate aftermath of a debt crisis shaped by secret loans from London-based banks – A stark reminder that the actions of the UK's banking class have global repercussions. Despite describing Cyclone Idai as "the worst and costliest natural disaster ever to strike the country" and issuing an emergency loan, the IMF deemed the situation not damaging enough to warrant debt relief. Re-emphasising the cross-border nature of the calamity, the Mozambican case also highlights the failure of Western lenders - like UK-based banks - to comply with legal frameworks, and the subsequent need to reform how financial regulators in hold them to account for their actions.

Strengthened by the fight against climate breakdown, civil society organisations, such as Jubilee Debt Caribbean, have called for urgent reforms such as the creation of a fully independent debt workout mechanism that could pave the way for debt restructuring and relief, as well as a global consensus on guidelines for debtor and creditor responsibilities, increased loan transparency[37] in the form of new mandatory rules to ensure lenders disclose information on loans to governments, and debt moratoriums following climate disasters.

3— Changing the players to change the game

Aggravating the debtor-to-creditor power imbalance in the Bretton Woods Institution is their neocolonial governance structures. The influence wielded by North America and Europe – major creditors - as dominant shareholders is of longstanding concern and paves the way for the marginalization of low and middle-income states. As Fanwell Bokosi, director of Afrodad, said, three quarters of a century after its founding, "the IMF quota system still reflects the colonial mentality that prevailed at its establishment."[38]

The current structure is also over-representative of the worst offenders[39] of fossil fuel emissions. The governance debate thus needs to move beyond a proxy-struggle between the US and China, and towards concrete democratic commitments such as ending the archaic, anti democratic 'gentleman's agreement' - which stipulates that the IMF managing director is a European and the World Bank's president is from the US - significantly increasing the number[40] of Executive Directors in regions such as Sub Saharan Africa, applying a cap on the number of states grouped in constituencies, and exploring alternative voting processes, like double majority voting[41].

Considering that so much of status quo crises management is characteristic of a market-based approach, there is also a need to enhance the plurality of voices and perspectives within institutions. Following previous accusations[42] of 'groupthink', which were cited as being partly responsible for the IMF failing to predict the financial crisis, a UN report[43] highlighted that between 1980 and 2000 almost 74 per cent of all senior staff appointees had been educated in the US or UK. Aggravating this is the fact that only 5.4 percent of 'B-Level' IMF economists were from Sub-Saharan Africa, meaning that people from some from some of the countries most affected by IMF policies are least represented in shaping them.

As demonstrated by the calls for an independent debt workout mechanism and the creation of a UN tax body, the World Bank and the IMF have adopted roles that extend beyond[44] their institutional mandates and competence. The reversal of mission creep to roll back the encroachment of other institutions' mandates and enhanced the democratic ownership of development-related policy making will require a renegotiation of the Relationship Agreements between the IMF, World Bank and the UN to clarify the boundaries of responsibility between each institution and work towards integrating internationally agreed climate and human rights-based agendas in to the operations of the Bretton Woods Institutions.

4— Moving forward as an ally

The risk of irreversible ecological breakdown and worsening inequality necessitate urgent and collaborative action. In order to achieve the twin goals of social and environmental justice espoused by the Green New Deal, and in order for international institutions to galvanise legitimacy amid a crisis of confidence, the multilateral landscape requires a radical overhaul: questions around who makes the financial rules and in whose interests should rest at the heart of this.

While some progress has been made, the policies and programmes of the Bretton Woods Institutions have deepened financialisation and failed to create sustainability development at a devastating human and environmental cost. The capture of the language of sustainability involved in everything from marketing the murky world of shadow banking to the exporting the failed PPP model – something that the UK has been at the forefront of – is illustrative of the limitations of market-based solutions to bring about transformational change. As the clock ticks, we need actions that extend far beyond a rhetoric shift, towards a reimagining of the operations and make-up of international institutions and the wider financial landscape.

Yet lessons can be learned as to how the UK goes about doing this: We have traditionally played a central role in shaping financial rules that have accelerated ecological breakdown and exacerbated inequality, in no small part due to our role as an international financial hub and global creditor. While it is welcome to see discussions emerge around Green New Deal, many of the key demands outlined above would be novel here, but not elsewhere. People and organisations in affected states have been resisting the neoliberal policy agenda for decades and demanding a radical overhaul, towards one in line with the twin goals of environmental and social justice. The UK is late to the party, and it is important to bare that in mind moving forward.

Some of the most transformative actions the UK could take would be to dramatically shift its approach to financial regulation and tax policy at a state level. A good start would be to tackle extractive tax havens draining tax revenues needed for a just transition, increase corporation tax to a responsible level to halt the UK's role in that race-to-the-bottom, and reform the culture within and regulatory oversight of the UK financial sector to ensure that environmental disasters such as the one in Mozambique are not worsened by corrupt behaviour of UK-based banks.

The UK's role in reforming the Bretton Woods Institutions to help support a global Green New Deal will also require playing an different position in the international community more broadly, with regards to what is supported, who key allies are, and in reviewing scope of influence.

Adhering to demands set out above to ensure that policies and programmes of the institutions support international commitments such as the Sustainable Development Goals, the Paris Agreement and human rights obligations would be a huge divergence from the current approach. Importantly, building on this, the vision of a global Green New Deal offers an opportunity to reassess central powers and allies on the international stage, and reposition the UK as a champion of the voices of global trade unions and civil society organisations, sourcing policy inspiration from voices of affected communities. By throwing its weight behind the voices of the G77 in calling for a UN tax body, the 150 global civil society organisations that demanded a moratorium on PPPs, or the longstanding demands for the creation of an independent debt workout mechanism, for example, the UK could use its influence not as a trailblazer, but in solidarity.

Part of this process should further entail knowing when to take a step back and let others lead the way. The overrepresentation of the likes of Europe and North America on the IMF and World Bank boards is emblematic of deep structural imbalances in a multilateral system that too often marginalises the other voices; inequality that is reinforced by a financial landscape that too often drains the finances of low income countries and bundles it to already wealthy nations. Elevating the voices of underrepresented states and regions must simultaneously involve lessening the voices of those that have traditionally dominated this landscape.

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3.5

Internationalising the Green New Deal: Strategies for Pan-European Coordination

By David Adler & Pawel Wargan

1— Introduction

At the time of writing, the relationship between the United Kingdom and the European Union appears remarkably uncertain. Some factions are plotting for a hard break. Others are campaigning to prevent it all together. But regardless of Brexit, the UK can and must work with its European neighbours to deliver a Green New Deal.

The motivations for collaborating across the Channel are threefold.

The first is necessity: a UK Green New Deal is meaningless without a broader international strategy. Over the last two decades, the UK's energy import dependency has skyrocketed. In 1998, the UK net exported 20 per cent of its energy to the EU. By 2014, the UK net imported over 40 per cent of its energy from the EU.[1] To achieve its own net-zero target by 2050, the UK must plan beyond its borders.

But Britain's emissions targets – however ambitious – matter little to the challenge of a full-fledged climate crisis. The UK contributes just 1.2 per cent of global greenhouse emissions.[2] While a UK Green New Deal could deliver a just transition at the domestic level, it would account for little more than a drop in the bucket at the global one.

The second motivation, then, is strategy. By working with European partners on the terms of its Green New Deal, the UK can lead the charge for the decarbonisation of the third-largest emitter in the world – the EU – and to redress its shared history of colonialism and resource extraction across the Global South.

The gains from international coordination are, therefore, not only local, or regional – but global. Europe remains a highly integrated political and economic area, where – despite the diplomatic frictions of Brexit – the prospects for coordinated climate action remain extremely high. Linking the UK to a broader, continental Green New Deal for Europe would model the multilateral cooperation that will be necessary to delivering climate justice on a planetary scale.

The third motivation is solidarity: the Green New Deal aspires to create a society guided not by competition, but by cooperation. Coordination at the international, national, regional, and municipal levels will not only help to share wealth and best-practices. It will also build durable relationships that challenge the overwhelming power of financialised capitalism.

This report sets out the strategy for such cooperation. It proposes a framework for UK and European legislators to coordinate the implementation of a Green New Deal at every level – from raising finances to directing investments to sharing best practices among municipal authorities.

Green Macroprudential Framework
As Fran Boait notes in her essay on "Green Central Banking,"[3] central bank policy is crucial to managing a successful green transition, shifting investment away from fossil fuels and towards renewables, while managing financial stability risks in the process.

The multi-polarity and interconnectedness of the global financial markets mean that central banking policy cannot operate in a vacuum: one country's macroprudential defences could be ineffective if its neighbours are exposed to significant risk. Indeed, for a Green New Deal – an epistemic shift in the structure of the global economy – the risks will be greater, and central banks supporting a Keynesian mobilisation of public funds through a Green New Deal will be operating outside the bounds of institutional memory.

Close cooperation among the world's central banks will be vital. The good news is that central banks already have robust cooperation mechanisms to manage macroprudential risks at a bilateral and multilateral level – both within the EU and internationally. The Bank of England (the Bank) has close working relationships with the European Central Bank (ECB) as well as national central banks, both through the European System of Central Banks (ESCB) and bilaterally. These should continue regardless of Brexit.

Working within these cooperation frameworks, Europe's central banks should establish bilateral technical working groups on the green transition, enabling coordinated action to mitigate physical and transition risks, reshape the global macroprudential agenda and, as the next section sets out, provide support to the Common Green Bonds that will power the transition.

At a multilateral level, global central banks have maintained close cooperation since the establishment of the Bank of International Settlements (BIS) in the 1930s. The vehicles for cooperation range from joint policy development programmes to staff secondments – ensuring a deep level of interconnectedness between global macroprudential authorities at both an operational and policy level.

In operational terms, the Bank can play a big role in democratising macroprudential policy development. Today, the Bank holds citizens' panels that invite residents to share their experiences with pay, housing and the cost of living with Bank experts. This small-scale initiative could be radically expanded under a socially-oriented Green New Deal, creating durable structures of democratic accountability within the Bank. Through close operational cooperation with other central banks, the Bank could help export this model internationally.

In policy terms, the Bank is particularly respected for its expertise. It played a key role in the BIS's Basel Committee on Banking Supervision, the main global standard-setter on the prudential regulation of banks, by developing the Basel III package of post-crisis reforms to banking capital requirements. The Bank has a unique opportunity to marshall that influence to reshape the global agenda towards green macroprudential policy.

As Boait argues in her recent report for Common Wealth, punitive capital requirements should be introduced for loans to firms reliant on fossil fuels or projects that face significant carbon risks in their business. With pressure from the ECB and the Bank – both among the most powerful drivers of economic policy globally – the BIS can be a vehicle for revising global standards to shift private finance away from investments in non-renewables.

Cooperation on a Green New Deal will also enable the Bank and ECB to shift the discussion away from potentially disastrous private sector solutions.

The G20 Sustainable Finance Study Group, currently co-chaired by the UK and China, is exploring the rehabilitation of collateralised loan obligations (CLOs) to mobilise private sector green investment – these would enable financial institutions to "securitise" green investments, offloading them from banks' balance sheets and transferring them to the capital markets. Their proposals include the introduction of a "green-supporting factor" in the global prudential rules to support investment in green CLOs.[4]

This could have disastrous consequences for global financial stability, magnifying the use of an opaque financial instrument that was a key driver of the global financial crisis in 2008. It would also undermine the core notion that the green transition must be grounded in justice.

Across the bilateral, multilateral and global space, then, green macroprudential coordination will be critical to ensuring that the Green New Deal delivers a just and stable transition.

Recommendation 1: Establish working groups between the Bank of England, the European Central Bank and the European System of Central Banks to coordinate a green transition.

Recommendation 2: Bring more accountability processes to central banks across the UK and Europe, starting with mechanisms like expanded citizens' panels.

Recommendation 3: Compel the Basel Committee on Banking Supervision to adopt capital requirements for non-renewable investments to disincentivise their use.

2— Common Green Bonds

Decarbonising the entire European bloc, reversing environmental breakdown and supporting green transitions globally will require an historic mobilisation of financial resources. Taxing our way toward a green transition is simply not feasible: like Franklin Roosevelt a century ago, we must press idle financial resources into public service.

Advocates of a UK Green New Deal have already pointed out the promise of issuing green investment bonds, or – as Maria Nikolaidi has described in her contribution to this report series – a "green QE programme"

"Linking the UK to a broader, continental **Green New Deal** for Europe would model the multilateral cooperation that will be necessary to delivering climate justice on a planetary scale."

through the Bank. Similar proposals have been floated for Scotland's own National Investment Bank and its strategy for shifting to a low-carbon economy. The sale of green bonds to private investors would soak up much of the idle liquidity in the financial markets – as Boait has written, 80% of current commercial bank lending in the UK goes towards financial intermediation and real estate[5].

But the firepower of such financing strategies will be severely limited in the absence of European coordination for one simple, structural reason: investors have fewer incentives to buy bonds from countries that embark on a swift green transition by themselves – indeed they have many incentives to punish them, instead. Such is the challenge of any UK government hoping to implement a Green New Deal: bond yields will soar as investors flee from the uncertainties of such a radical programme. It goes without saying that such a risk only intensifies with Brexit.

If, reaching across the Channel, the UK government coordinated with Europe's public investment banks to issue Common Green Bonds, its financing scheme would face far fewer risks and the bonds yields would have far less volatility. Working through the green transition working groups, Europe's central banks (e.g. the Bank, the ECB, the central banks of Denmark, Sweden, Switzerland) could then coordinate the purchase of these bonds in the secondary bond markets if needs be.

There is little doubt that such bonds – backed up by a coalition of trusted institutions – would sell like hot cakes.

The benefits of coordinated financing are, therefore, threefold. One, it saves money: falling bond yields means less debt for the government. Two, it acts as a form of insurance for the Green New Deal: less exposure to international arbitrage means more room for policy experimentation. Three, it takes advantage of economies of scale: a larger pool of resources, collected from across Europe, means better investments in renewables, infrastructure, and innovation.

Recommendation 4: Coordinate UK and European public investment banks to issue Common Green Bonds to help fund transition and protect against investor backlash.

3— Green Energy Union

The UK, like most of its European neighbours, consumes a monstrous amount of energy – most of it imported from beyond its borders. While the UK's energy dependence has fallen over the last decade, it continues to import roughly 36 per cent of its total energy.[6] Increasing production of renewable energy inside the UK is a sign of hope, but it is insufficient for powering the broader green transition – particularly if we preclude the possibility of investing in new nuclear facilities.

Energy sovereignty from the UK may well be a desirable goal over the long-term, but it is both inefficient and infeasible in the timeline set out by the Green New Deal.

Inefficient because it fails to exploit the natural comparative advantages in the production of renewable energy. Northern countries and mountainous regions have better access to wind and wave power, while southern countries are better suited to exploiting the sun. The UK can gain enormously from these differences both by selling the energy it is able to produce and by ensuring secure access to the energy it is not.

After all, the UK's renewable sector may look good from far, but it is far from the best. Denmark currently has an extreme advantage in wind, while Cyprus has one in solar. The UK is rated at a fraction of both.[7]

Infeasible because so much of the UK's energy infrastructure – including its zero-carbon sources – is bound up with existing EU frameworks and funding. A hard Brexit from the EU, severing ties to all EU member-states, would severely harm the UK's ability to deliver on its Green New Deal agenda.[8]

That is why the UK should commit to Green Energy Union that can power the transition to zero-emissions both inside Britain and out. Mobilizing the resources generated through the issuance of Common Green Bonds, the UK and its European neighbours should invest in the production of wind and solar on the basis of regional advantages, develop sustainable infrastructure for its transportation, and support a continent-wide supply of zero-carbon energy.

The EU has already developed a regulatory framework for its Energy Union, complete with "Effort Sharing Regulations" that bind member-states to greenhouse gas targets. In the event of Brexit, the UK should not only commit to participation in a shared Green Energy Union, but take advantage of its non-membership to drive the EU toward even more ambitious targets.

As the UK government itself admitted in a recent White Paper, "Coordinated energy trading arrangements help to ensure lower prices and improved security of supply for both the UK and EU Member States by improving the efficiency and reliability of interconnector flows, reducing the need for domestic back-up power and helping balance power flows as we increase the level of intermittent renewable electricity generation."[9]

The UK Green New Deal should take advantage of these synergies, leveraging the UK's relationships with its neighbours to push them toward more radical action on climate.

Recommendation 5: Commit to the establishment of a multinational Green Energy Union to support the development and distribution of renewable energy.

4— Green Horizon 2050

Like financial crisis that preceded the original New Deal, climate and environmental breakdown present an opportunity to radically reimagine the tools with which we address our crises today. To deliver a transformative Green New Deal, Europe will need to invest in research and development (R&D) to identify and accelerate progress towards tipping points in technological and agricultural innovation. Only exponential progress towards our environmental goals stands a chance of halting the most destructive consequences of climate and environmental collapse.

Although the UK and the EU have pledged to double their green energy R&D spending under the Mission Innovation initiative, they are falling behind. At current rates, the 24 countries (plus the EU) that have taken the pledge will, on average, only reach 50 percent of the target. It now looks like global green R&D spending is stalling.[10]

But such research benefits massive economies of scale and scope – and the UK cannot generate alone the necessary resources for such ambitious R&D. It must join forces with partners in Europe to bring about step changes in innovation that can then generate global solutions to the climate and environmental crises.

Building on Horizon 2020 – the EU's €11 billion investment in research and innovation – the UK should propose a "Green Horizon 2050," a programme of similar size dedicated exclusively to developing new solutions to the climate and environmental crises. This programme would begin with a ringfenced fund into which a part of both the UK's and EU's Green New Deal investment would be funnelled each year. That money would then be devolved to support innovation at the international, regional, municipal and community-level, which would support transformative solutions big and small.

This research must extend beyond renewable energy. It must also explore regenerative practices in agroecology and forestry, techniques for retrofitting housing for energy efficiency, a reimagining of manufacturing to support material reproduction like recycling and repair, and many other areas that are ripe for change.

The prize for a paneuropean approach to climate R&D is high. The UK research community is already suffering from the uncertainties of Brexit. A departure from the EU will exacerbate the situation by severing ties to funding from European research councils. Britain's leadership role in Green Horizon 2050 could stem the outward flow of staff and resources to ensure that the UK gains from this innovation.

But, given the rapid expansion in energy demand across the developing world, emissions reductions and post-growth strategies will matter more across the Global South than in Europe and Britain. Significant public investments in R&D on the continent, then, have the potential to accelerate a global transition through technological and innovation spillover.

As the Labour Party suggested in June, technologies developed to support the green transition in Britain must be made available across the Global South for free or at low cost.[11] An open-source approach to public innovation across Europe could not only accelerate the pace of change around the world, enabling the developing world to bypass industrialisation.

It could also challenge the rising hegemony of private-sector solutions like carbon capture and storage, which are largely unproven and contribute to environmental breakdown even as they lack the potential to mitigate the effects of rising greenhouse gas emissions.

> Recommendation 6: Initiate a "Green Horizon 2050" that channels public funding to research and development of open-source technology that can power the green transition both inside the UK and around the world.

5— Environmental Solidarity Network

A green transition shaped by front-line communities will entail the radical devolution of political power and diversification of policy design both within and across countries. The lessons from this process – successes, failures, best practices – can help guide cities and regions around the world. To ensure that this knowledge is shared widely, it must be scaffolded by a robust Environmental Solidarity Network.

Three existing structures for local and municipal cooperation can offer a model of how a broader European – and international – cooperation network might work.

The first is URBACT III,[12] an EU-funded exchange and learning programme for sustainable development, which provides a platform for European cities and other levels of government to share best-practices, exchange information and work together to improve regional policies. The programme is agnostic to EU membership, including all 28 member states as well as Switzerland and Norway.

One of the projects currently running under URBACT III, "Making Spend Matter", is spearheaded by Preston City Council, a leader in the community wealth building movement. Working with the Centre for Local Economic Strategies, Preston City Council developed a procurement strategy that sought to redirect spending to the local community by changing the behaviour of six major "anchor institutions" based in Lancashire.[13] The programme boosted local revenues and paved the way for the expansion of the local cooperative sector. Preston is now working with Villa Nova de Famalicao in Portugal and Pamplona in Spain to share knowledge from the programme.

The second is the International Urban Cooperation (IUC) programme, an EU-funded initiative to pair cities in the EU and across the developing world. The IUC focuses on three areas: cooperation on sustainable urban development; encouraging cities to join the Global Covenant of Mayors Initiative, a municipal-level pledge to cut greenhouse gas emissions; and inter-regional cooperation on local and regional development innovation, in particular focusing on international value chains and small and medium-sized enterprises.[14]

Where URBACT III and the IUC create a framework for urban cooperation, the European Network for Rural Development (ENRD) supports projects across rural communities – building structures of cooperation across agriculture, forestry, and other rural activities; supporting rural communities in making a just transition to sustainable practices; as well as improving food production and supply chains.[15]

Twinning programmes and multilateral cooperation structures not only support information exchange. They also expand the administrative capacities of local authorities and help create horizontal power relationships that can act with autonomy for the benefit of communities.

The Environmental Solidarity Network could take the form of a framework agreement or agency that would not only unite the successful models of cooperation like the URBACT III, the IUC and ENRD programmes – bringing them into an institutional family with its own Green New Deal-funded budget, information-sharing infrastructure and significant administrative capacity to support efficient collaboration across regions and languages. It would also enhance these programmes in two key ways.

Firstly, it would support the expansion of public participation in political decision-making. Putting residents and civil society in the driving seat of development projects that shape their communities supports greater public acceptance and durability of those decisions. Participatory decision-making could also help begin addressing the ongoing crisis of democratic legitimation across Europe.

Secondly, the programme could expand in both scale and scope. The Green New Deal will generate knowledge and opportunity across every community – from village to municipality to region. The Environmental Solidarity Network, then, must support cooperation at all these levels, creating opportunities for training, secondments, information exchange – as well as cooperation with think tanks, universities and civil society groups working on the green transition.

And, by building on international cooperation models like those facilitated by the IUC programme, the lessons from Europe's transition can be transposed to regions and municipalities across the world – supporting bottom-up transformations everywhere.

> Recommendation 7: Establish an Environmental Solidarity Network to expand public participation in political decision-making and facilitate training, secondments, information exchange across European cities and regions.

6— Conclusion

In the introductory essay to this volume, Mathew Lawrence makes the case that "only a UK Green New Deal can deliver change on the pace and scale required." This report has made the case that the UK cannot deliver this change alone. On the contrary, it is only by coordinating internationally that the UK can address the environmental crisis within its borders and the climate crisis beyond them.

The UK's coordination efforts, we have argued, must begin in its own backyard, leveraging its actually existing relationship with the European bloc to drive a continental green transition and support climate justice around the world.

Brexit be damned – the proposals we have made here are agnostic about EU membership. As such, they represent a unique opportunity to unify Leavers and Remainers behind an internationalist vision of a just, green transition.

The Green New Deal aims to mount a radical challenge to the hierarchical arrangements of extractive capitalism. To do so, it needs a strong international dimension – one that moves beyond simple promises of charity transfers to propose robust structures for horizontal cooperation. This essay makes several such proposals in relation to the UK and the EU's foreign policy relations, which we hope might open a broader conversation about the ingredients for a new *multilateralism from below.*

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