

United States - The Green New Deal Can Work - Here's How

Tuesday 4 June 2019, by [BRECHER Jeremy](#) (Date first published: 25 February 2019).

The following is based on a new discussion paper 18 Strategies for a Green New Deal: How to Make the Climate Mobilization Work (pdf) [1] from the Labor Network for Sustainability [2].

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The Green New Deal (GND) resolution [3] recently submitted by Rep. Alexandria Ocasio-Cortez (D-NY) and Sen. Ed Markey (D-Mass.) proposes a broad vision to transform the United States. It calls for a mobilization to create a climate-safe USA and thereby “create millions of good, high-wage jobs, virtually eliminate poverty, provide unprecedented levels of prosperity and economic securing for all U.S. persons, and counteract systemic injustices.” Here’s a strategy for how it can succeed.

Mobilize Government

Global warming has rightly been called history’s “greatest market failure.” Correcting it cannot be left to the market. The GND will need bold economic planning, industrial policies, and public investment to guide and facilitate the process. It will need full-employment macroeconomic policies that prevent unemployment, assure prosperity, and encourage full use of economic resources during the transition. And it will need public mobilization and redirection of human and material resources that are required for the transition. Therefore the GND requires government institutions specifically designed to implement the transition to climate protection.

Establish government agencies to oversee the transition. Mobilization for the GND is an emergency that, like mobilization for World War II, requires powerful governmental agencies dedicated to the purpose that can plan and implement the transition to a climate-safe economy. The Green New Deal agencies, established by act of Congress, will raise capital; implement labour force strategies; organize funding for infrastructure such as transmission lines, railways, and pipelines;

fund research and development; set and monitor energy efficiency standards for buildings, appliances, and equipment; train and retrain workers and professionals; set industrial location policies; and coordinate the multifaceted activities of federal agencies, state and municipal governments, corporations, and civil society organizations. Government initiative is necessary to cut through inertia, bottlenecks, and bureaucratic red tape.

Use government to plan the transition. Climate protection requires the capacity to make long-range plans that affect many aspects of life. Planning climate protection is in some ways similar to planning the nation's transportation system. It requires making decisions, such as whether to build highways or railways, that will shape the life of the country for decades to come. It requires the technical capacity to design and engineer such complex systems. It requires taking into account a wide range of economic, environmental, and social factors - and maximizing beneficial side effects while minimizing undesirable ones.

Use regulatory powers to freeze, phase-out, and replace all fossil fuel infrastructure . In 1942, President Franklin Roosevelt banned the production of passenger cars to allow the reorganization of industry for war production. The goals of the GND require a similar, though more gradual, managed decline in fossil fuel production and use, and its replacement by fossil-free energy. Such a transition should be enforced by the regulatory powers of government. State Renewable Portfolio Standards (RPS) provide an example. A national RPS should require replacement of fossil fuel energy by renewable energy at the annual rate necessary to meet GND goals. Similar standards should be developed for conversion of transportation, buildings, industry, and all other greenhouse gas (GHG) producing sectors.

Establish Green New Deal agencies for reorganizing economic sectors . A fossil-free economy will require transformation not just of individual workplaces and companies, nor just of the economy as a whole, but of specific industries and economic sectors. Industry-wide planning is necessary to capture synergies and economies of scale, establish level playing fields, and ensure that different parts of an emerging climate protection system work together - large-scale, long-term coordinations that cannot be provided by the market. Here, public climate policies, industry-wide collective bargaining, and cooperation among businesses in the same industry need to go hand in hand.

A prime example of such cooperation was the reconstruction of the U.S. auto industry under President Obama's economic recovery plan. Auto corporations and the UAW agreed to a large, long-term increase in energy efficiency to cut carbon emissions. This involved cooperative planning for retooling the industry, large-scale federal support for developing new technology, and substantial public investment in modernizing the industry on a low-carbon basis. The result was a steady decrease in carbon pollution rates, an increase of jobs for auto workers, and an end to the crisis that threatened to nearly eliminate auto production in the United States.

Similar sectoral programs are necessary for electricity, transportation, agriculture, forestry, manufacturing, waste management, finance, and many other industries.

Use the tools of macroeconomic policy. The New Deal used the tools of what came to be known as macroeconomic or Keynesian economic policy to steer the economy as a whole. To fight unemployment and support New Deal programs it used fiscal policy, such as budget deficits, and monetary policy, such as low interest rates. While neoliberalism has condemned Keynesian macroeconomic policies designed to provide full employment, the abandonment of such steering led to the deepest economic crisis since the Great Depression and an ongoing aftermath of income polarization and impoverishment for working people. The GND should apply macroeconomic policies that ensure full employment to reduce the fear that climate protection may threaten prosperity, and also to give working people a greater stake in the transition.

Use the powers of government to rectify past and present injustices. Jobs protecting the climate will be made available to those individuals and groups who have been denied equal access to good jobs. Job recruitment should include strong racial, gender, age, and locational affirmative action to counter our current employment inequalities. Programs will require standards for local hiring and minority business enterprises. Programs need to provide job ladders within and across employers lest those who currently face only dead-end jobs continue to face only dead-end jobs in the climate protection economy.

GND projects will remedy the concentration of pollution in marginalized and low-income communities and counter the deprivation of transportation, education, health, and other facilities in poor neighborhoods.

Protect low-income energy consumers . Current fossil fuel energy costs are themselves a prime source of poverty and economic inequality. The GND should ensure that the energy bills of low-income families are affordable - generally defined as 6 per cent of gross household income. The combination of investments in solar energy, efficiency, and weatherization will reduce the amount of assistance needed; in many cases, the bills will be below six per cent of income, eliminating the need for assistance. All new public and publicly subsidized low-income housing should be net-zero with solar panels onsite and/or offsite.

Empower community-led initiatives. Today, a large swath of community-based, local, and regional programs are already engaged in promoting the transition to a climate-safe economy and society. Even in a government-led transition, they can on their own initiative implement community-based renewable energy production such as rooftop solar collectors, energy use reduction measures such as residential weatherization, financial mobilization through community investment funds, and new patterns of consumption such as shared bicycles. Perhaps most important, they can provide both popular participation in the transition to climate protection and a means to hold the institutions of transition accountable.

Democratize democracy. The Green New Deal agencies need to meet the highest level of transparency and be subject to internal inspectors-general and the Government Accountability Office and specialized equivalents. An oversight agency independent of the executive branch should supervise the agencies and report to Congress and the public on their progress, identify problems and failures, and initiate course corrections.

The GND should establish standards for democratically-determined climate action plans at every level similar to the environmental impact statements legally mandated by many environmental laws. The GND should encourage local community groups, coalitions, and governments to develop and implement their own climate action plans at the community level and require such plans for all projects it funds.

Mobilize Labour

A Green New Deal mobilization will require millions of workers. During World War II, the War Labor Board actively recruited workers to regions and industries where they were most needed and government took the leading role in the rapid expansion of education, training, child care, and housing for the new workforce. Today, a labour reserve of more than 20 million people who are unemployed, underemployed, or outside the labour force could be available to go to work protecting the climate. The GND will need to match these workers to the employment sectors where they are needed and match the jobs to the needs of the workers.

Leave no worker behind. While climate protection will produce far more jobs than it eliminates, it may also threaten the jobs of some workers in fossil fuel producing and using industries. It is unjust that any worker should suffer through no fault of their own because of a policy that is necessary to protect society. A Green New Deal must create alternative jobs and/or livelihoods or face mass unemployment - and a resulting rebellion against climate protection.

Generally, jobs should be made available in the locations where workers are or want to be using their existing skills and providing comparable wages and conditions. Employers must retrain and find jobs for those affected; give them priority for new jobs; provide economic benefits that allow not only a decent livelihood but a start on a new life; ensure decent retirement benefits for those who choose it; and invest in local communities to provide them a future beyond fossil fuels. All impacted workers and communities should be included in a deliberative process and have a voice in shaping transition plans.

Protecting threatened workers and communities dependent on fossil fuel jobs needs to start before devastating economic disruption begins. The Green New Deal will establish community and worker protection funds to collect money in advance to replace taxes and fees paid by fossil fuel facilities and to invest in good jobs in affected communities. It will target investments in fossil fuel energy communities designed to create jobs before or at the pace that fossil fuel jobs are declining.

Guarantee jobs for all. To counter the insecurity of working class life in general and the specific fear that climate protection may lead to job loss, climate protection policies need to incorporate the principle of a job for everyone who wants one. Where other policies have not led to full employment, government should serve as the employer of last resort for all who want to work, putting them to work on climate protection and other socially needed activities. The federal jobs guarantee (JG) envisions a federal program somewhat like the New Deal's Works Progress Administration (WPA) that would provide funds for non-profit organizations, local governments, and other agencies serving the public to employ anyone who wants a job at a wage roughly comparable to the demands of the Fight for \$15 campaign.

The JG will not exclude any individual or group of people who want to work. It will make whatever special provisions are necessary to employ veterans, at-risk youth, ex-convicts, people with disabilities, and other people with special needs and/or barriers to employment. The jobs provided by this program will pay an estimated \$15 per hour plus benefits, including health insurance. Because it guarantees that every person who wishes to work can find a public-option job with a wage twice the current federal minimum wage plus benefits, the JG will establish a standard that must be met by all employers in the private, public, or nonprofit sectors, ensuring that no working person will live in poverty. It will provide education, training, and apprenticeship opportunities.

Ensure worker rights and good union jobs. The Green New Deal needs to include pay and benefit standards that provide a decent life and future for working families. It needs to support "high road" employers, prevailing wage provisions like those required by the Davis-Bacon Act, and project labour agreements negotiated between unions and employers to ensure that climate protection jobs elevate rather than depress wages and working conditions.

The Green New Deal - like the original New Deal - must establish a new framework that protects workers' fundamental Constitutional and human rights. Reinforcing the rights of workers to express themselves freely, organize, bargain collectively, and engage in concerted action on the job should be an explicit part of GND, as it was for war industries during mobilization for World War II.

Mobilize Money and Material Resources

When people hear about the Green New Deal they are likely to wonder, “where will the money come from?” They understandably fear that the costs will be enormous and that they will have to bear that burden through higher taxes. But this ignores the fact that a fossil free economy will be much cheaper than the current fossil fuel model. It also fails to take into account the opportunity for correcting our extreme inequality by taxing the rich to help pay for climate protection. It disregards the trillions of dollars that American banks, corporations, and investors have lying unused in their bank accounts - much of it from government giveaways they have received as “economic stimulus.” And it ignores the enormous resources of the fossil fuel industry that should be used to pay for the damage they have done to the earth and every one of its people. The GND will use the financial benefits of fossil-free energy, the trillions of dollars given away to corporations and the wealthy in tax breaks and subsidies, and the wealth of the fossil fuel industry itself to ensure that ordinary Americans are far better off as a result of the transition to climate safety.

Capture the benefits of the transition to fossil free energy. Fossil-free energy is now cost-efficient - it is cheaper and provides more benefits than burning fossil fuels. In the long run climate protection will pay for itself.

Large investments currently go to maintaining, replacing, and expanding fossil fuel infrastructure. The GND will redirect that investment stream to building a fossil free economy, replacing lost energy jobs, and other GND programs. Likewise all the money that would have been spent on coal, oil, and gas can go into the pockets of consumers and help pay for the GND.

Make the polluters pay. The fossil fuel industry can and should bear much of the burden for the damage it does to humanity and the planet through taxes, fees, permit costs, and other charges which can be used to pay for the GND. Tax policy can help discourage carbon emissions while reversing our growing income inequality. Progressive taxation, particularly on carbon-wasting luxury goods like private jets, can counteract negative effects on income equality. Another potential source for funding the transition to climate safety can be legal damages and fines collected from corporations for environmentally harmful practices. The GND should include litigation and legislation to hold fossil fuel producers and emitters responsible for their colossal damage to the atmosphere - and the colossal cost of remediating it.

Cut wasteful and unnecessary spending. The United States now spends as much on the military as the next seven highest spenders combined. The use of this money, aside from pure waste, has been for a series of wars, many of them illegal under national and international law, none of which has been successful, all of which have caused incalculable human and material harm, and none of which has contributed to the security of the American people. Many of them have been motivated by the pursuit of fossil fuels and all have contributed to global warming. Confronting climate change will reduce conflict and promote global peace and security. Transfer of funds from the military budget to the GND would enhance the security of individuals and our country.

Mobilize investment. Public borrowing through bond sales can provide substantial and inexpensive funds due to the ability of the Federal Reserve to buy public infrastructure bonds at low rates. Public purpose banks, credit unions, and investment and loan funds can provide more decentralized financial resources, especially for smaller-scale and community-based projects. If need be, the Federal Reserve can simply buy infrastructure bonds, just as it did with Treasury securities in 1940 to finance the war effort.

The GND will establish a program of climate bonds for the public like the war bonds of World War II.

These should be a good investment for individuals, particularly as an alternative to today's gutted pension plans and unattractive retirement investments. If we are to subsidize energy investment, the benefits should go first and foremost not to the 1% but to ordinary citizens who can use them to increase their economic security and retirement savings.

Global Cooperation

Support and fund a Global Green New Deal. Realizing the goals of the GND requires global cooperation. Governments must work together to create a global framework that supports climate-friendly jobs and development - what has been called a "Global Green New Deal." That requires the world to abandon neoliberalism and adopt a new strategy that puts the world's human resources to work meeting the world's desperate need for economic transformation that radically reduces GHG emissions.

A global climate protection investment fund is necessary on a scale that mobilizes all under-utilized human and material resources worldwide. Rather than fighting each other for climate-protecting jobs, workers in different countries will benefit from national policies and international agreements that encourage countries to cooperate in sharing green technologies and expanding production for climate protection. Legally binding international agreements must phase out and ban the use of fossil fuels worldwide. Both climate protection and economic cooperation ultimately require demilitarization and policies of global common security.

Globalization, neoliberalism, and free-trade agreements have pitted the workers of the world against each other in a fight for climate-protecting jobs. A GND will not pit workers against workers and discourage the growth of climate-protecting industries and jobs abroad. It will oppose both escalating trade wars and the free trade utopia of neoliberalism. Instead, it will pursue mutually managed trade that encourages all countries to develop their climate protection industries and technologies as rapidly as possible, while allowing the benefits to be shared in a way that protects workers in both developing countries and developed countries - not to mention the planet as a whole.

Conclusion

The original New Deal of the 1930s was not a single program or piece of legislation - it was a whole era of turmoil in which contesting forces tried to meet a devastating crisis and shape the future of American society. The New Deal was part of a process of social change that included experimentation at a state, regional, and local level; organization among labour, unemployed, rural, urban, elderly, and other grassroots constituencies; and lively debate on future alternatives that went far beyond the policies actually implemented.

In practice the GND will similarly involve competing ideas and programs pushed - in alliance and opposition - by a wide range of constituencies and organizations that support the broad concept but disagree about details. Like the original New Deal, the GND is trying to do something that has never been done before; we will have to learn from experience and experiment and correct the mistakes we will inevitably make along the way. But with these strategies we can make a start in the right direction.

Jeremy Brecher

P.S.

- Common Dreams. Published on Monday, February 25, 2019:
<https://www.commondreams.org/views/2019/02/25/green-new-deal-can-work-heres-how>
- Jeremy Brecher is an historian, author, and co-founder of the Labor Network for Sustainability. A new edition of his most recent book, *Climate Insurgency: A Strategy for Survival*, is available at his website.

Footnotes

- [1] <http://www.labor4sustainability.org/wp-content/uploads/2019/02/18Strategies.pdf>
- [2] <http://www.labor4sustainability.org>
- [3] <https://cleantechnica.com/2019/02/08/heres-the-full-text-of-congress-green-new-deal-resolution-introduced-by-rep-alexandra-ocasio-cortez/>