

Five questions (and some suggestions) for a Green New Deal

by Anja Rudiger, January 2020
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As we confront a dramatic economic breakdown steeped in injustice, it is imperative that we push for a solution that matches the scale of the problem. The confluence of the COVID-19 pandemic, the sudden economic collapse, accelerating inequity and the global climate crisis has created the necessity — and opened the door — to radically transform our economy. At a moment when our lives and livelihoods are profoundly disrupted, the Green New Deal (GND) can help us rebuild in a just and resilient way. Shaped by a convergence of people's movements, the GND offers a framework for a just transition to a regenerative, ecologically sustainable economy that is equitable, just and deeply democratic. It allows us to envision how the systemic change we so desperately need might happen — not in the distant future but right now. Calling for a massive public investment program, the GND responds to the combined economic, equity and climate crises with a bold agenda for government action inspired by Franklin D. Roosevelt's New Deal in the wake of the Great Depression. It is an agenda for economic and environmental resilience that can help protect us all from the harms we face in an exploitative, extractive economy.

At this point, the GND is a vessel awaiting our ideas and actions. If we all respond to this challenge, we can shape GND principles and policies together. The pandemic is revealing in real time whose lives are on the line, whose labor is essential, which industries deserve to grow and which are superfluous. This can help shape a People's GND — as opposed to a corporate GND — guided by the voices of communities on the frontline of the economic and climate justice struggle. A People's GND will scrap the unjust, inequitable and inadequate climate politics of carbon markets and consumer shaming and replace them with regenerative and redistributive public interventions. A GND that centers justice and equity can take us toward a New Social Contract, a new relationship among different sectors of society — government institutions, communities, energy producers, agricultural and industrial sectors, non-profits, business, and more — grounded in the principles of human rights and inclusive democracy. While the GND is a transitional frame, a vehicle for a suite of policies that enables us to change course, it can chart the way toward systemic transformation.

This paper explores five questions that guide us through designing a GND that fulfills this transformative potential. We explore why we need to center justice and equity; how to avoid false solutions; how to grow political support; how to talk about financing; and how to pave the way for deep economic transformation.

1. No justice, no climate action: Why must a GND center justice and equity?

Although we heard initial calls for a GND after the 2008 financial crisis, bailouts for banks and austerity for working people enabled the resurgence of finance and fossil fuel capitalism. More than ten years later, we are in a different political space: there is widespread recognition of the scale and scope of both the climate and the inequity crisis. Communities subjected to racism, colonialism and other forms of oppression are experiencing the effects of ecological and climate breakdown most acutely. Radicalized movements have gained momentum by connecting the climate collapse with economic and social injustice, learning from indigenous struggles. The Intergovernmental Panel on Climate Change (IPPC) called for transformational change in all spheres of society. Standing in the way of concerted climate action is not a lack of knowledge, technology or money, but the corporate and political powers peddling pollution market policies to prop up capitalism.

It has become increasingly clear that the political and economic logic that brought about this crisis cannot solve it. The GND addresses the pressing question at hand: what climate politics can build the popular power to pry open the cracks in neoliberal hegemony and shift the economic paradigm? These cannot be the politics of consumption, which blame the climate crisis on our individual carbon footprints. Nor can they be the politics of austerity, which have turned basic rights into scarce commodities. The GND idea is different: it shifts climate politics from market incentives to public responsibility, and from individual sacrifice to collective action. It changes the goal from reducing emissions to liberating us from the injustices of carbon capitalism. This is an approach designed to embolden and unify our response to the crisis.

The conjoined crises: climate collapse, inequity and injustice

The climate crisis is deeply intertwined with the many forms of systemic injustice that exploit, oppress and colonize people in the United States and around the world. The heightened attention to environmental harms has exposed broader systems of exploitation. The stark inequities scarring our society are not ancillary problems that add to the climate emergency, but inseparable from it. These conjoined crises are linked in their impact, roots and solutions.

- Communities at the frontline of the climate crisis — such as indigenous people, people living in poverty, people in the global South, people of color, low-income workers, and children — are least responsible for carbon emissions and environmental degradation, reap few benefits from the carbon-fueled culture of consumption, yet they are most directly and severely impacted by pollution and the climate collapse.
- The roots of the climate and inequity crisis lie in the extractive capitalist economy and its concentrated structures of power and privilege. As the capitalist drive for profit and expansion threatens the planet, it sharply reduces the standard of living for most people in the United States and around the world, benefiting primarily the wealthy.
- The solutions to the climate and inequity crisis intersect: carbon capitalism has increased inequities, and greater inequity is associated with higher emissions. Conversely, climate mitigation and adaptation will be easier in more equitable societies, according to the IPPC, which recommends redistributive measures because “social justice and equity are core aspects of climate-resilient development pathways for transformational social change.”

Climate advocacy transformed: using an equity lens

The recognition that equity and justice are integral to a healthy planet transforms climate advocacy. The climate, and the environment more generally, can no longer be reduced to naturalistic ideas, independent of social and economic relations, but become political concepts and sites of intersectional struggles. Using an equity and justice lens to understand the climate crisis reveals that climate action entails changing our society and economy. In a radical political economy of climate justice, decarbonization is not a stand-alone goal but a function of decommodification, democratization and decolonization. This requires a political project that weaves together different

expressions of injustice, investigates precisely how the climate crisis is shaped by inequity, and uses a distributive and intersectional lens to assess solutions.

For decades, mainstream environmental advocacy has looked more toward those in power rather than leveraged the power of the people. This has stifled the formation of broader coalitions and neglected the need to build alignment with unions and workers. As a consequence, the narrative that the climate crisis can be addressed within the current system, through technical fixes and individual behavioral change, has taken a greater hold, opening the door for corporations to profit from climate change and dump costs onto frontline communities. The result has been a popular backlash from those disaffected with neoliberal policies. Meanwhile, the climate crisis has deepened.

The GND proposal recognizes that political support for climate action depends on addressing systemic inequities and centering the communities where capitalism, racism and colonialism have caused the most harm. Climate advocacy must be grounded in the voices and leadership of people exploited at work or excluded from jobs; communities deprived of their lands, exposed to fossil fuel pollution or bypassed by market-based renewables investments; and people lacking decent housing, healthy food and affordable energy. The political possibility of effective climate action hinges on its capacity to make swift and direct improvements to people's lives and thereby advance equity and justice.

Making climate action politically possible: the leadership of frontline communities

The GND proposal, even in the basic outline presented by the Ocasio-Cortez/Markey 2019 congressional resolution, opens up the political possibility for rapid decarbonization by centering equity and justice. It is designed to catalyze a broad-based movement that can effect and sustain a process of real political and economic change across the United States. This means that any future GND policy package must live up to this promise by engaging communities in policy development, investing in building community power, and supporting new forms of participatory governance. At the root of the GND must be the recognition that market and consumer-focused environmentalism has not only failed to protect the planet but also fed into the rise of the Right, as it shifted the costs and risks of climate-related measures onto ordinary people. The politics of greenwashing, consumer shaming and backdoor negotiations, perpetuated by a quarter century of empty global commitments, must be rejected. Steering away from false solutions — whether green capitalism or climate austerity — the GND offers a new, unifying frame, one that directs public resources to where they are most needed, and that uses public powers to democratize the economy and facilitate community control.

As we flesh out the GND framework, we need to resolve questions about how a just transition will work, what risks it entails for workers and frontline communities, and what a regenerative economy might look like. To avoid false starts, we can look to the GND's historical references:

- FDR's New Deal drove the postwar economic growth and consumption boom. A GND should disrupt this paradigm by transforming not only energy but also consumer goods production, along with structures of ownership and work. The key transition challenge is to stop harmful economic activities *in tandem with* developing new, regenerative ones. A GND focused narrowly on reducing emissions or consumption will fall short of meeting this challenge.
- The New Deal cemented racist and colonial policies. A GND that centers equity and justice will prioritize investments in frontline communities, facilitate reparations and the restoration of land and treaty rights, divest from carceral and military industries and support the free movement of people. All GND policies must pursue equity strategies that measure distributive effects, including risks, costs and benefits.
- The New Deal was the government's response to general strikes and radical mobilization. A GND that organizes us as change agents, rather than castigating us as consumers, can activate a broad constituency for climate action.

Although more than a zero-emissions plan, a GND cannot — and should not — be a blueprint for a new society and economy. Instead, it can offer winnable, transitional policies with the potential to build momentum, step by step, for more transformative demands. What these policies could look like and how they could grow people power for climate action — and for a new social contract — we will explore in the following.

2. Neither corporate nor authoritarian: How can a GND steer clear of false solutions?

The volatility of a crisis situation opens pathways for change. What such change looks like depends on which solutions we adopt. Who will bear the burdens of change and who will reap the benefits? The strategies and policies we adopt in response to the convergent climate, economic and equity crises will profoundly shape how these crises impact our lives. A GND that seeks to tackle the roots of economic and climate injustice will have to steer clear of false corporate solutions, while also avoiding an authoritarian turn to an all-powerful state.

False solution #1: a corporate GND

If the sole goal of climate action were a net zero-carbon economy that otherwise kept things as they are, a GND could try a massive expansion of corporate and consumer incentives through a combination of market mechanisms along with fiscal and land deals. The technology exists for corporations to scale and speed up renewable energy and other “green” solutions in profitable ways. Cars can be electric, straws made of paper, and burgers contain artificial meat. A corporate GND would aim to meet the 2050 global decarbonization target — though this is increasingly considered inadequate — within the current economic growth model, with a view to consolidating neoliberal capitalism. Its role would be to channel substantial public resources to the corporate sector and aggressively manage carbon markets to shift the emission reduction burden to other countries and prevent a massive (but unequal) economic contraction in the U.S. by the end of the century. This may elevate the role of the state as a facilitator and rule-maker, leading to a slight adjustment of the lopsided power relationship between the market and the state.

Can corporate technocracy solve the climate crisis?

Market-based climate politics look to corporations for solutions, as though past corporate failures qualified them for success. One hundred large corporations are responsible for 69% of all carbon emissions since the beginning of the industrial age, with the majority of emissions released over the last 30 years, during the rise of neoliberalism. For much of that time, governments have deployed market mechanisms to regulate emissions and incentivize the switch to renewable energy, without discernible effect. What if the tools of the market are ill-suited to solve a crisis created by market forces? Carbon extraction and combustion continue, despite governmental efforts to create market conditions favorable to decarbonization. Carbon prices high enough to wipe out fossil fuel profits have yet to materialize, despite having been touted for over three decades as a quick fix to a complex problem. Technological answers such as carbon capture and storage enable fossil fuel business as usual, while clean energy portfolios and zero-emission tax credits shift costs from corporations to consumers. Moreover, “clean” energy often includes harmful and environmentally unjust sources such as nuclear, large-scale hydropower and incinerators, along with massive, for-profit wind and solar farms that tend to burden the environment as well as ratepayers. As indigenous groups point out, framing the climate goal as net-zero emissions rather than a regenerative economy perpetuates the financial speculation and rent-seeking model — in the form of carbon accounting and pollution markets — that gave rise to the current crisis. By seeking to mitigate carbon-based activities through creating new markets, we fail to develop a plan for leaving fossil fuels in the ground and building a non-extractive economy.

Can corporate solutions advance equity?

If the power of the public purse is marshaled to support corporate adaptations to the climate crisis, climate austerity measures will follow for the rest of us. Where clean energy portfolios allow utilities to recover the costs for decommissioning and clean-up, stranded assets are offloaded onto electricity ratepayers. Where tax incentives empower corporations to profit from renewable energy — through centralized production as well as aggregation of distributed energy — solar power becomes unaffordable for low and moderate-income people. Even measures intended to constrain corporate behavior, such as carbon taxes, impose disproportionately high price tags on low-income residents for their unavoidable use of carbon. France's Yellow Vests movement revealed how the inequities of market-based policies undermine political support for climate action.

Can the GND harness corporate capital for a just transition?

If market-based policies cannot drive climate justice, what means do we have to restrain and redirect corporate capital and power? The public policy toolset ranges from punitive measures such as fines and litigation to redistributive approaches such as taxation and divestment to democratizing corporate governance and ownership. Effective regulation and restriction and reorganization of corporate operations could lay the groundwork for a deeper economic transformation, as long as these measures are designed to dismantle the extractive economy rather than prop it up. For example, a carbon tax could serve as an incremental step only if it pushed a redistributive price-and-invest model that steered all revenue to priorities determined by frontline communities. Strategic litigation against fossil fuel companies could be an alternative to the somewhat toothless consumer and shareholder divestment campaigns. To accelerate divestment and force a "market correction" that devalues fossil fuels as "stranded assets" — estimated at up to \$100 trillion — the state could sue corporations for damages. Federal and state governments also have the power to immediately curtail fossil fuel business operations through a moratorium on extraction, starting with public lands. A market disruption strategy, as part of a GND, could set the stage for banning fossil fuels and dissolving fossil fuel corporations in the medium to long term.

False solution #2: a state-controlled GND

If corporations and markets cannot solve the climate and equity crisis, should a GND mobilize the powers of the state for a centrally controlled and planned transition? The state has the muscle and the money to plan and build a zero-carbon economy, through large-scale energy, industrial and infrastructure development. In the past, emission reductions have been achieved through state-owned nuclear reactors and hydropower dams, albeit at the expense of environmental justice. Many GND advocates seek to revive a World-War-II-style national mobilization and argue for federal superpowers with the authority to execute big economic projects.

Can federal superpowers solve the climate and equity crisis?

If the war we are fighting this time around is directed against our own extractive economic and exclusionary political structures, it makes little sense to anchor the GND in either corporate or state power. The neoliberal state has not only failed to prevent the current crisis but actively fueled it, bowing to corporate influence. Meanwhile, the federal government has expanded its repressive apparatus — the carceral system, migration control and the military — while shrinking its welfare functions. If the GND were to blindly empower existing state institutions, it could set us on a path to eco-fascism.

Can the GND harness state power for a just transition?

If state superpowers cannot drive climate justice, what forms of public investment, planning and ownership could avoid authoritarian rule? The idea of a GND rests on mobilizing the public sector at a scale and scope that matches the crisis. Solidarity economy solutions alone cannot take on concentrated corporate power, nor can they provide the universal resources required to meet human needs. To decommodify energy, housing, transport, health care and food systems, we need public institutions and structures that can serve as conduits for financing, regulating and guaranteeing access to these public goods. Yet few of these goods and services require centralized provision. Instead, federal rules and resources can be deployed directly in the service of

decentralized, community-controlled initiatives. The mobilization of federal powers via a GND should go hand-in-hand with accountability mechanisms that democratize these powers through distributed decision-making by impacted communities.

Worst case scenario: eco-fascism

The challenges of both corporate and state-controlled transition scenarios, if not overcome by anti-capitalist, democratic initiatives, point to the risk of eco-fascism. The rise of nationalist and authoritarian rulers in the United States and around the world foreshadows the dangers of climate apartheid. Right-wing populism has both exploited and deepened the climate and equity crisis, stoking resentment, hate and fear in a staged fight for resources and recognition. Neoliberal climate measures have played into the hands of the Right by displacing workers and making life more difficult and expensive for ordinary people. Despite casting themselves as defenders of the freedom to consumption, far right leaders are cutting access to embattled resources for the many, while fencing off the assets of the rich. Climate austerity will force most people to fend for themselves. Nationalism will fortify rich countries against millions of climate refugees, through closing borders and ending international cooperation. Capitalism and the authoritarian state, working in tandem, might be able to adapt to climate change, but the costs to humanity would be enormous.

3. United we win: How can a GND drive a just transition?

Steering clear of false solutions and the abyss of climate apartheid, the just transition to a regenerative economy must begin today. It must be rooted in the power and participation of the people, and particularly the communities most impacted by the climate and equity crisis. What actions can kickstart the scale and scope of change we need? What type of non-reformist reforms can we win to pave the way to system change? What will it take to unite us in the struggle for a just transition?

Mobilizing state and community power

Where the New Deal mobilized the power of the state for top-down plans and programs — programs that excluded radicalized communities — a GND must place state power in the service of frontline communities and workers. Devolving control to communities needs to be a key feature of a GND that activates the centralized state. Although government institutions are already actively shaping the economy, their role is largely invisible and skewed to serve corporate interests. The question is whether the GND can surface the submerged state and shape it to bend toward justice. History shows that the state is not monolithic: on occasion, the federal government protected local communities from racist state administrations, and more recently, some states have served as bulwarks against federal repression. The GND would need to institutionalize accountability to human rights and inclusive democracy at all levels of government. If every policy, every regulation and every investment were designed to rebalance power, it might be possible to tip the scales of influence in the direction of justice.

This has to start at the beginning, with the participatory development of a GND policy and legislative package. Extinction Rebellion calls for a citizens' assembly — a centralized representative body — to decide major climate measures. To center equity and justice, direct democracy could also take the form of decentralized people's assemblies, organized in and by communities and workplaces most affected by the crisis. Decision-making should be guided by the principle of equity, and formal decisions should be filtered up to state and federal level assemblies.

Democratizing corporations

Massive investor-controlled corporations, focused on raising capital and disbursing profits to shareholders, are blocking the transition to a regenerative, democratic economy. How do we move from corporate to cooperative structures, and from shareholder to democratic control, at the speed and scale the crisis demands? The transformation of corporate governance, ownership and purpose

can begin today. For example, the following measures would systematically increase both worker and public power in corporate operations:

- **Inclusive ownership funds:** federal law could require corporations to give workers an ownership stake through a collective trust funded by the company with an agreed percentage of new shares per year. These trusts would pay each worker annual dividends and give them a voice in corporate governance. This could be a first step toward rebalancing power and redistributing wealth within corporations.
- **Stakeholder and worker co-governance:** federal law could require stakeholder and worker representation on corporate boards and extend a board's fiduciary duty from shareholders to stakeholders. For example, this could empower electricity users to influence decision-making in investor-owned utilities, including on investment in renewables or income-sensitive electricity pricing.
- **Public take-overs:** especially at city level, the remunicipalization of energy and water utilities is already underway. This can give residents control over renewable energy development and pricing structures, provided that public governance is democratized through participatory decision-making mechanisms.
- **Worker co-ops:** the GND could give regulatory and financial support for the establishment and expansion of worker co-ops.
- **Mission-driven corporate governance:** federal law could require corporations to fulfill a social and environmental purpose. This is already the case with Benefit Corporations, which are authorized in 34 states. These for-profit corporations have expanded their corporate purpose statements to include a social or environmental mission.
- **New types of enterprises:** the GND could incentivize enterprise development that combines worker ownership with community accountability and mission-driven governance.

Investing strategically in public goods and jobs

Reversing inequities and halting the climate collapse require massive change in all sectors of the economy. Whereas neoliberal policies have deregulated industry, privatized public services and dismantled dignified work, the GND idea is centered on large-scale, strategic investments in public goods and jobs. A GND investment strategy should focus on three initial goals:

1. *Decarbonize:* adopt a moratorium on fossil fuel extraction, support distributed renewable energy production and electrification, clean up pollution and restore land and begin to develop decentralized, carbon-free infrastructure, industries and services.
2. *Increase equity:* create good jobs, build assets in frontline communities that increase resilience, begin to take basic needs out of the market and into public or community control (including energy, food, water, housing and health care), eliminate fossil fuel subsidies and tax financial speculation and wealth.
3. *Build people power:* design investments to rebalance power and build popular support for a just transition (including through corporate ownership changes, worker co-ops, a jobs guarantee and programs that meet basic needs).

Investments that prioritize displaced workers and communities affected by pollution or loss of fossil fuel revenue, along with investments that directly cut carbon emissions (e.g. in decentralized renewable energy, public transportation and public housing), can happen as soon as mechanisms for community and worker participation are set up. Existing programs in California and New York, which are supposed to use an equity screen to disburse a designated minimum of climate-related funding streams to frontline communities, may offer some lessons.

To generate immediate climate resilience and equity effects, and to secure broad support for a just transition, the cornerstone of a GND investment strategy must be a jobs guarantee. A federally funded and locally administered jobs program should offer a good job to every person who wants one, thus eliminating involuntary unemployment, reducing poverty, mobilizing considerable human

capacities for transition-related tasks and giving everyone a positive stake in the transition. A jobs guarantee should include the following features:

- Guarantee all workers' rights, including a living wage indexed to inflation, comprehensive benefits and pensions, collective and industry-wide bargaining, no citizenship requirements, and transition arrangements for displaced workers, including wage replacement.
- Ensure that public jobs drive up wages, benefits and standards in the private sector by strengthening bargaining rights across the board and imposing wage requirements and other standards as conditions for public contracts, procurements and subsidies, especially in the renewable energy sector, which is plagued by a lack of unionization and gender disparities.
- Prioritize job creation in frontline communities and enable community-based program administration that matches unmet community needs with unemployed people.
- Create only jobs that meet agreed criteria for serving social and environmental purposes. This will include jobs that build infrastructure for climate resilience and regeneration as well as caregiving, education and other non-extractive, non-exploitative human services that meet people's fundamental needs and enable everyone to thrive.
- Reduce working hours, reward reproductive work and remove incentives for excessive production. Working less will reduce energy use and emissions. It will also increase quality of life and free up time for democratic participation. Ultimately, transitioning to a regenerative economy requires challenging capitalist productivity and wage labor models. Some form of universal income guarantee might help with that transition.

GND investment in public goods could begin with residential housing, which marks one of the key intersections of equity and emissions. The building sector accounts for 12% of emissions (if including off-site electricity generation for those buildings, this rises to 39%). Inequities in access to housing are stark: systemic housing injustice faced by Black Americans was exacerbated by New Deal policies. It befits the GND to start reversing decades of discriminatory disinvestment in public housing by retrofitting all public housing, thus reducing emissions, lowering residents' utility bills, improving living conditions and health, and creating community-based jobs.

Inspiring a unified movement for change

Until recently, climate and environmental advocacy groups neglected to join forces with workers and oppressed communities. Perceived as white, middle class and anti-worker, they pursued gradual reforms within the market economy rather than addressing the inequities produced by carbon capitalism. This approach was unable to garner popular support for using public resources to incentivize corporate environmental responsibility. Consequently, it failed to mitigate the climate crisis and provoked popular backlash against reforms that ignored demands for justice. In contrast, the GND pursues an integrated and inclusive strategy, recognizing that centering equity and justice in the climate struggle is a precondition for building a unified movement. To make a GND politically possible, it has to be directly connected to struggles against systemic inequities faced by workers, people of color, indigenous tribes and people living in poverty and degraded environments.

A just transition depends on our ability to align and converge constituencies and movements across lines of difference — and across national borders. The task is to recognize and channel particular demands into a unifying, universal agenda that pushes political boundaries while bringing everyone along. Some demands may be transitional, temporary entry points, but as long as they inspire rather than deter bolder thinking, they can serve as important steps in the struggle. Instead of narrowly focusing on an energy related agenda, a better start for the GND might be concrete policy wins that raise people's expectations and improve their lives, with emission cuts to boot.

Creating political unity for a massively expanded role of the state also requires challenging the state's more problematic functions. A GND cannot afford to empower a repressive state at the expense of oppressed communities. It must take a stand against settler colonialism — the beginning of resource extraction in the U.S. — and against criminalization, migration control and

border militarization. Divesting from repressive apparatuses such as the police, ICE and the military (a major carbon emitter) and investing in frontline communities, including in the restoration of indigenous lands, must go hand-in-hand. A GND can assume an enabling function for a broad range of transformative initiatives, embracing a vision that reaches beyond zero-emissions toward the restoration of life and liberty.

4. Who pays: Why must a GND talk about financing?

A large-scale public investment program in the form of a GND would reverse decades of austerity and reshape public spending and revenues. Any such program must be able to specify, first, what investments should be made for what purpose, as explored above, and, second, where the capital would come from. In other words, it is important to discuss not just what the GND would fund, but also who would pay. Without a GND, the immense costs of the climate crisis will largely fall on frontline communities. Climate-related economic losses in the U.S. alone are predicted in the order of hundreds of billions of dollars annually. A GND could shield communities from climate cost burdens and shift who pays for mitigating the climate crisis. Public support for a GND may depend on this: while most support a GND public investment package that is financed equitably, any climate financing plan perceived as unfair will likely be dead on arrival. We cannot afford to dismiss a conversation about funding sources with vague references to Federal Reserve, Treasury Department or Wall Street monetary tools. This would risk perpetuating the very fiscal and financial systems that have pushed energy and environmental costs onto those least able to pay. Instead, a GND must include a financing plan that identifies initial funding streams and introduces a new public finance model capable of redistributing resources downwards and toward regenerative economic activities.

Should the GND utilize financial markets to mobilize capital?

Private capital has dominated climate finance both globally and especially in the U.S., narrowly focused on investments in renewable energy and related technologies, not on industrial or infrastructure development. Financial markets trade carbon commodities, created by governments to incentivize corporate emission reductions, without reducing fossil fuel dependence. Both private investments and overall financial flows have failed to advance even the most modest climate goals. Meanwhile, finance capital leveraged by banks, investment funds and insurance companies is keeping the fossil fuel industry afloat.

A GND intent on mobilizing private finance would retain little control over public funds, even if it were to design basic safeguards to secure low costs to the public and high environmental benefits. If the GND turned to financial markets to mobilize capital, it would contribute to the financialization of climate solutions and block pathways to a systemic challenge of finance capitalism. In effect, such financing approaches would enable private finance to find new ways of extracting value from ecosystems, workers and frontline communities, especially in the global South. To date, financial markets have focused on commodifying nature and people rather than decarbonizing capital.

A GND can contribute to thwarting the processes of financialization that have fueled the climate and equity crisis. It could support the following actions:

- Taking public goods out of the market, thus stopping the valuation of the climate and ecosystems for markets. Financial markets have relied on government regulators to create new commodities, such as carbon, or to put a price on environmental externalities, or to open up “green growth” opportunities. The GND should end such services to financial markets, recognizing that the imperative to extract value from natural resources and human labor lies at the roots of the climate and equity crisis.
- Reining in financial speculation and corporate rent-seeking, which siphons off resources needed to decarbonize industry and infrastructure and impedes productive and regenerative

economic activities that could mitigate climate change. Even non-financial companies are oriented toward maximizing the value of their financial rather than productive assets, which is further incentivized by flawed tax designs.

- Changing tax policy and financial regulations to prevent financial speculation on personal debt, pension funds, real estate and land, which has distributed resources upwards and increased income and wealth disparity.

How can the GND use fiscal, regulatory and legal powers to fund investments?

Initial GND investments can be funded by freeing up public money currently invested in fossil fuels and its dependent industries. This entails terminating all fossil fuels subsidies, from public land leases to tax credits to subsidies for externalities such as infrastructure and environmental clean-ups. The International Monetary Fund estimates that the United States spent 3.6% of GDP or \$2028 per U.S. resident on direct and indirect fossil fuel subsidies in 2017, a total of \$649 billion. Twenty-two big oil, gas and power companies did not pay any federal tax in 2018. Removing only the most direct federal oil & gas tax breaks and incentives, which could be done immediately, would generate around \$5 billion per year. More significant public funds — several hundreds of billion dollars — can be redirected from other subsidized high-carbon industries, most notably the military-industrial complex.

Redirecting fossil fuel subsidies should be followed by efforts to redistribute fossil fuel capital and assets. A GND should explicitly seek to extract money from fossil fuel companies as a form of reparations for environmental and climate injustice. Severance taxes pegged above corporate profit rates may stop extraction, but only litigation or nationalization, enabled by legislation, can secure corporate assets for redistribution. This is particularly important as fossil-fuel-dependent regions will face shrinking revenues and job losses that a GND has to counteract through prioritized investments and job creation, as well as community- and worker-protection funds. Litigation against fossil fuel corporations — already underway in several locations — may be a lengthy process but could yield significant legal damages, similar to tobacco settlements, especially if enabled by targeted legislation to impose liability. This requires generating fossil fuel industry balance sheets that reveal the full spectrum of costs and damages (including subsidies and externalities such as pollution and health costs) on the one hand, and public revenue generated through fossil fuel leases, tax payments and jobs on the other.

How can the GND help transform public finance and financial institutions?

To finance massive public investments in an equitable and sustainable way, the GND has to transform the neoliberal public finance model. We need a new fiscal framework and different financial institutions, imbued with a social purpose and guided by the principle of equity.

The transformation of financial institutions can start with corporate banking reforms that mandate the reorganization and repurposing of banking operations. On a parallel track, the GND can help build up new public financial institutions to take over many functions currently carried out by private banks. This would include democratizing the Federal Reserve and requiring it, among other things, to prioritize universal employment and median labor income growth, prohibit lending to fossil fuel companies, set a minimal lending ratio for zero-carbon industries, integrate climate and inequity related risks in its macroeconomic and firm-level analysis, and use equity and sustainability principles to guide monetary policy. Efforts to establish public banks at municipal and state levels are already underway; at the federal level, a public bank could assume the role of a green investment bank to serve as a lending institution for the GND.

A GND should redirect all current efforts to “fix” fiscal policy toward designing a new framework for mobilizing, managing and investing public money. To achieve climate justice and equity, this purpose has to be embedded in the workings of every aspect of public finance. What if all fiscal rules, policies and processes were obligated to serve environmental and human needs and to equalize the distribution of resources? What if elements of participatory democracy were introduced into fiscal governance and institutionalized in investment and financing decision-making? The

budget cycle would start with community-driven assessments of environmental and human needs, and revenue measures would be designed to fully fund a needs-based budget. The tax base would be restructured to meet decarbonization and equity standards, for example by shifting taxes from labor to capital and financial speculation. In the past, proposals for green fiscal reforms — e.g. taxes on extractive and polluting activities — have lacked equity criteria and reinforced regressive distributions. A GND, however, could impose an equity test for taxes on (or credits for) corporate activities that subtract from (or add to) public assets. Even so, shifting taxation from people to pollution would, at best, be a temporary measure. In an economy that encourages regeneration over production and consumption, we would have to rethink revenue generation beyond our dependency on collecting taxes from corporate profits and undesirable activities.

5. Toward a new social contract: How can a GND transform our economic system?

A GND that is serious about ecological regeneration and social justice cannot simply replace fossil fuels with renewable energy and allow the capitalist system of spiraling production and consumption to continue unabated. The original New Deal was deeply anchored in a paradigm of market expansion and racial injustice. The GND must pave the way for a new social contract that puts an end to these injustices and enables a regenerative and just economy to flourish.

Challenging capitalist expansion: how can we rethink economic growth?

A GND can set out to save or subvert capitalism and its growth paradigm. A massive public investment program can incentivize “green” capitalism softened by a sound social safety net, or it can disrupt and transform how we produce, consume, work and live.

A GND limited to regulating unfettered capitalism will argue that growth, corporations and large-scale industrial development are necessary for full employment and for raising the living standards of workers and people in poverty. It will focus on correcting corporate rent-seeking as a neoliberal distortion of economic growth, and champion inclusive and green growth that raises median incomes and produces broader social benefits. The assumption is that strict emissions regulations combined with renewable energy investments can decouple economic growth from fossil fuel extraction and combustion. This version of the GND is mostly silent on what might happen to carbon-based industries outside the energy sector.

In contrast, “degrowth” advocates point out that any economic expansion requires increased energy consumption and would necessarily slow down decarbonization. They highlight the immediate carbon-reduction effects of economic contractions, documented in historical records. Since the 1970s, the recognition of the ecological limits to growth has prompted appeals to individuals to become more conscientious consumers and accept the need for sacrifices. However, anti-consumption campaigns, along with population control advocacy, have consistently failed to apply an equity lens to their demands. Just as we have to ask who will pay for decarbonization, we need to question who gets to consume and who has to sacrifice. Without a distributional analysis, a critique of growth risks exacerbating existing sacrifice zones, populated by frontline communities. Moreover, it will deepen political resentment, as most of us have been pushed into consumerism not as a choice but as the last remaining illusion of individual freedom.

A GND oriented toward a regenerative economy can change the debate about growth and shift from individualistic to systemic solutions. A regenerative economy is about restoring the abundance of nature and human ingenuity, not about resource scarcity. It is about growing community assets, not private capital and large-scale industries. It is about fostering those economic activities that heal and replenish and relinquishing those that distract and destroy. Its success is measured not in GDP growth but through ecological and human rights indicators.

Democratizing economic development: how can we share control?

A GND that steers away from both capitalist expansion and centralized state control has to find alternative ways for planning economic development that matches our needs and addresses the crisis at hand. How can we, as a society, make more democratic and purposeful decisions about what, how and where to produce and invest? The GND can begin to shift control over industry, infrastructure and investments to the public sector, to workers and to communities. But no entity, public or private, central or local, is free of power relations; new democratic practices will need to be developed. Moreover, we need to take zero-carbon, regenerative economic initiatives to scale across the country, beyond privileged or progressive enclaves. The build-out of a decarbonized and decentralized economy, if it is to be inclusive and match the scale and scope of the crisis, requires federal rule-making, funding and coordination.

The GND can combine federal action with decentralized control through facilitating the development of place-based economic systems, grounded in the principle of subsidiarity (i.e., devolved to the smallest appropriate scale). The scale and level of authority appropriate to an economic initiative should correspond to its purpose, function and projected impact. For example, full local control may be unsuitable if the local use of common resources has broader implications (e.g. water), or if the centralized pooling of resources can deliver more effective and equitable public services (e.g. health care).

The following strategies could guide economic planning under a GND:

- Place-based economic development: focused on geographical communities impacted by environmental, economic and social injustice.
- Needs-based investments: focused on the greatest and deepest environmental, economic and social needs.
- Worker-centered investments: job creation focused on workers and communities impacted by transition-related job losses or disadvantaged by low-wage industries and unemployment as well as jobs contributing to regenerative and caring tasks.
- Redistributive and restorative investments: guaranteeing priority disbursement of GND funds to frontline communities
- Participation and self-determination guarantee: developing participatory decision-making mechanisms for economic development and investment plans, and devolving, as appropriate, control over investments to communities.

Quick-starting the new economy: the example of energy democracy

A key role for the GND is to facilitate the decentralized, community-controlled production of renewable energy. The distributed nature of renewable resources makes this eminently possible, and many energy users, from households to cooperatives to factories, have begun taking charge of their own energy systems. However, distributed energy is not inherently democratic; it can be owned and controlled by corporations, individuals, communities or the public at large. Much wind and solar capacity has been developed privately, either through centralized corporate plants or on individual rooftops. Rather than incubating a new energy democracy, this approach risks segregating and individualizing access to renewables, with wealthier localities disconnecting from an increasingly neglected grid infrastructure that remains essential for poorer communities.

A GND that seeks to protect and advance economic human rights must treat renewable energy as a universal public good, a public service guaranteed by the state and managed collectively, as a commons, not for private gain. The GND should support the equitable and democratic development of a decentralized energy system: first, through direct public investment in local energy systems and electrification, second, through creating a legal framework that enables a range of collective ownership formats — from co-ops to community solar to municipalization — and, third, through a regulatory and financing framework that prioritizes renewable energy development in, and controlled by, frontline communities.

For example, the GND could support energy co-operatives and community-owned facilities, alongside the democratization of existing rural electric cooperatives (RECs). The New Deal's Rural Electrification Administration poured enormous federal funds into establishing a decentralized network of electric co-ops. While these RECs achieved their rural electrification targets, they let their co-op principles erode, ignored their community development mandate and failed to lead the transition to renewables. In response, campaigns across the country are seeking to empower the 42 million REC members take back their co-ops. This has opened up organizing opportunities in poor rural communities, where electricity users can be approached as utility owners and mobilized to retake control, with a view of turning RECs from single issue businesses into community wealth building organizations.

The GND could also support the public take-over of utility companies, at least where their assets are clearly valuable. Returning private utilities to public ownership would speed up the transition to renewables and democratize energy-related decision-making. Efforts to (re-)municipalize utilities (water as well as energy) are underway in a number of locations, ranging from the non-renewal of a franchise agreement to legal battles wrestling with the question of how to compensate private operators. Take-overs should not be bail-outs; rather, they must take into account previous subsidies, lack of investment, excessive profit taking and stranded assets. Municipal utilities should institute democratic, purpose-driven forms of governance that incorporate community participation and equity strategies such as income-based rate payments. They could also set up joint public-worker ownership structures.

Toward a regenerative and just economy: what principles can guide us?

A just transition to an economy that is regenerative, equitable and democratic requires a vision and principles to guide us. The GND sets the course by shifting climate advocacy from a focus on markets and consumers to a politics of public action and community control. This can take us toward a new social contract, with new terms for public provision, ownership and work. These could be the building blocks of a regenerative and just economy:

1. *Universal rights and public goods:* To meet human needs and make them responsive to ecological imperatives, we need to decommodify what we produce and consume. Rights confer the power to control what goods we produce for what purpose and in which ways. Recognizing the right to food, for example, can change who produces what and where, just as realizing the right to health care can transform how our health needs are met: through universal public provision rather than the market. The convergence of ecological and equity goals, along with the potential for building political support, is best captured by the right to housing. The GND can decarbonize and decommodify housing through a sustainable homes guarantee for all, thus solving the deep housing crisis that most disparately impacts Black Americans. Millions of affordable, high quality social housing units could be built in sustainable ways, and speculative real estate could be moved into community land trusts. All homes, old and new, should meet zero-emissions standards and enable the integration of living, working and playing to reduce the need for transport and land use.
2. *Democratic ownership and decentralized control:* To ensure social and environmental benefits of all production and investments, we need to change who owns and how we govern our collective resources. Initial steps to democratize corporate governance can evolve into different layers and types of ownership, some place-based, some centralized, with different roles for cooperative, worker and public ownership. Local infrastructure such as energy systems, public transportation and agriculture lends itself to community ownership and control. Experiments with community-led transition zones could be scaled up and financed publicly through the GND. Federal and state land reform may be needed to control land use and development, restore degraded land and support the creation of local agricultural cooperatives and food systems. A national land trust fund could function as a mechanism for transferring land ownership from corporate and absentee private owners to communities and small farmers (particularly Black farmers who lost their land), and for returning land to indigenous tribes.

3. *Regenerative and caretaking work*: To ensure that work contributes to environmental and social regeneration and is equitably shared, valued and rewarded, we need to move away from the exploitative, gendered wage labor system, which is dependent on unpaid care work. It is vital to replace not just fossil fuel jobs but all jobs that perpetuate unnecessary and harmful production and consumption. The tasks of restoring the planet, meeting people's needs, taking care of and teaching each other present a vast reservoir of as-yet unmet work opportunities.

A GND that lays the foundation for a decommodified, democratized and regenerative economy, grounded in the principles of equity and justice, can set us on a path to healing and recovery from the horrors of the COVID-19 pandemic. It can help reverse the injustices that produced the breeding ground for the pandemic's disparate impacts. And it can support a just transition to a new economy in which we work together to protect and restore our climate, our planet and our shared humanity.