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Could a Green New Deal Save Civilization?

To fully and systematically address the climate/energy crisis, the plan will have to be far broader in scope than what is currently being proposed. And while we need to mobilize society as a whole with a World War II-level of effort, the reality is that there's never been a [challenge](#) like this before.

The idea is infectious. Could a big government jobs and spending program succeed in kicking into gear the transition from fossil fuels to renewable energy, and ultimately save us from catastrophic climate change? The energy transition is currently going way too slowly; it needs money and policy support. And many people would need job retraining in order to work in re-engineered, renewable-powered industrial systems. In the 1930s, the New Deal programs of Franklin Roosevelt helped create jobs while also building critical infrastructure, including rural electrification, roads, bridges, and government buildings. Today, as we confront the requirements to produce energy sustainably; to use it differently in transportation, manufacturing, and agriculture; and to reverse the current trend toward increasing economic inequality—in effect, to save and reinvent industrial civilization—the need is arguably much greater.

The public champions of the Green New Deal (GND) in the U.S. include Democratic progressive representatives Alexandria Ocasio-Cortez, Deb Haaland, Rashida Tlaib, Ilhan Omar, and Antonio Delgado. The idea is also supported by writer-activists Naomi Klein and Van Jones; by the Green Parties in the US and Europe; and by the Sierra Club, 350.org, Greenpeace, Friends of the Earth, and the Climate Mobilization. The proposals currently circulating in Washington aim to provide 100 percent renewable energy in 10 to 20 years while supporting job retraining and aiding communities impacted by climate change. Some proposals also include a carbon tax (often with a fee-and-dividend structure that would rebate funds to low-income people so they could afford more costly energy services), incentives for green investment, public banks, measures to re-regulate the financial system, and the first steps toward a global Marshall Plan.

My organization, Post Carbon Institute, published one of the earliest Green New Deal proposals back in December 2008 (we called it the "[Real New Deal](#)"). At the time, the nation was in the throes of the Global Financial Crisis, and we were hopeful that the incoming

Obama administration might be open to some radical thinking. As things turned out, our white paper—some of which seems a bit dated now—was almost completely ignored. Nevertheless, we now have the benefit of ten years of hindsight, and of the opportunity to reflect during that interval on the potentials and drawbacks of a government program aimed to transition the American economy so that it can better survive the 21st century. What follows are some thoughts based on that decade of reflection.

1. The fact that so many years have elapsed makes the job bigger and more desperately needed. Unfortunately, the more deeply we think about the Green New Deal, the more roadblocks we tend to see. As a result of a decade of delay, the energy transition needs to happen even more rapidly now than it did in 2008 if catastrophic climate change is to be averted; and, in the meantime, America's energy usage has grown. So the job now is both bigger and harder. Thus solutions have to be even more radical, implying more adjustment, effort, and pain. A truly effective Green New Deal was a monumental challenge in 2008; it is likely to be more so now.

2. The political challenges to a Green New Deal were formidable then, and have grown over time. Today's political scene (certainly in the US, but also in many other countries) is more polarized than it has been for many decades, and increased polarization tends to result in more time spent arguing and backbiting, and less time spent actually solving problems. Right-wing populism is on the rise in many countries around the world, feeding a tendency to blame government technocrats for perceived failures.

If the energy transition picks up steam, there will be winners and losers, and nearly everyone will have to sacrifice and adjust in various, significant ways. If sacrifices are seen to be unfair or unnecessary, blame may be the handiest recourse. Especially if policies are clumsily designed or implemented, the blowback may be swift and brutal (as the French government has learned via the "yellow vests" movement). In the face of all these pitfalls, timidity on the part of politicians seems understandable—even if the consequences of failure to act are ultimately suicidal.

Politics has become a self-reinforcing feedback loop: failure to address problems makes people's lives miserable; as a result, many people lash out in increasingly extreme ways, feeding polarization and fake populism; then polarization further reduces society's ability to solve problems. Rinse and repeat.

3. There are financial hurdles to a Green New Deal. From a financial perspective, the two central notions of the Green New Deal are that (1) deficit spending can effectively be used to jumpstart a major industrial shift and provide full employment, and (2) the economic consequences of increased deficit spending can be absorbed or blunted if government acts wisely. [Modern Monetary Theory](#) (MMT) provides theoretical support for the latter assumption. So far, so good. But there are two hitches.

First: a skewed approach to deficit spending in response to the 2008 global financial crisis has led to a financial policy environment that's not especially conducive to a Green New Deal. After 2008, deficits

ballooned and the Federal Reserve Bank conjured up trillions of dollars via its quantitative easing program. But nearly all of the money created went straight into the financial system, not to the needed energy transition or to provide full employment (as Post Carbon Institute advised in our “Real New Deal” white paper). Unemployment did fall slowly over the years, but only as a temporary side effect of the injection of so much fresh cash into the financial system. A more direct side effect was the inflation of additional bubbles (including a short-lived spike in domestic oil and natural gas production, which has worsened the climate and energy crisis), whose inevitable bursting will create dire conditions in which politicians and financial leaders will call for more central bank heavy lifting and more government deficits. In that context, proposals for using the government’s money creation authority for other grand projects (like making society more fair and sustainable over the long term) may once again be given low priority in the rush to put out financial fires.

Second: you can print money, but you can’t print energy and natural resources; and more of the former without more of the latter causes inflation, which can be managed only up to a point. So, in the real world (that is, our world of finite energy and resources), MMT deficit spending can provide more economic equality, and a better way of managing the monetary system and hence the economy (since taking the power of money creation out of the hands of private banks opens the possibility to do away with bubbles, manias, and financial crashes). But, given the fact that the global economy has already [overshot limits to annual drawdown of Earth’s resources](#), even MMT cannot avert an overall decline in average material standard of living as the century wears on. And that is likely to make a lot of people unhappy and dissatisfied. See “political challenges,” above.

4. The transition has to be systemic. Achieving sustainability requires not just the building and installation of a vast number of solar panels and wind turbines, but also a major redesign of energy-using infrastructure (essentially, a redesign of our transportation, housing, food, and manufacturing systems) and the shift to a shrinking or steady-state economy. We at Post Carbon Institute have had the opportunity to study the requirements for a redesign and replacement of energy-using infrastructure in some detail, as explored in the book [Our Renewable Future](#) (co-authored with David Fridley); and also the shift to a shrinking or steady-state economy, as unpacked in my book [The End of Growth](#).

Is there a set of policies that could actually avert climate catastrophe while saving civilization? Yes, at least in principle, but a Green New Deal would be only the first step. Other policies that would also be needed include:

- Reforms to the financial system, beyond what is envisioned in the Green New Deal proposals offered so far. These might include MMT, as well as reforms long advocated by proponents of [degrowth](#) or a steady-state economy, including 100 percent reserve requirements for banks (effectively removing their money-creation powers).
- Reforms to economic measures and targets. GDP, which simply

measures the amount of money sloshing through the economy annually, is currently our main measure of economic health. But it is a perverse and misleading one. It needs to be supplemented or even replaced with [measures](#) that directly track the factors that reliably contribute to the happiness and welfare of families and communities (see chapter 6 of *The End of Growth*).

- Universal basic income or a universal job guarantee. Policy proposals along these lines are being supported by some of the same people who support a Green New Deal, with some analysts arguing the greater efficacy of one over the other. The ideas make sense in the context of the existing economy, but will need rethinking as the days of GDP growth come to an end. Not everything that needs to be done in the course of the energy-economic transition will come with a salary. Rather than continuing to think in terms of jobs, we should think instead of all the possible ways to organize meaningful work while providing for everyone's basic needs.
- Reforms to the political system. Currently our elected representatives seem incapable of grasping the nature of our collective predicament, or of contemplating the truly radical measures required if we are to avert utter and irremediable economic, social, and environmental collapse. One reason for this failure of imagination is the degree to which politics is anchored in money. The beneficiaries of the status quo literally pay lawmakers to keep society headed on its current track to perdition. This can change only if we somehow manage to get money out of politics. Separation of private money and state is as vital as separation of church and state for running a functional democracy.
- Changes to the information ecosystem (i.e., social media). A successful transition will require near-unanimity in terms of public awareness of the crises facing us, and of willingness to sacrifice for the good of society as a whole (this is sometimes described as a wartime level of common commitment). Currently social media (and corporate media generally) drive us in the opposite direction—toward tribal allegiance and suspicion of outsiders. Either we will need some different versions of social media that are designed to build solidarity by helping us find common ground with one another, rather than stoking backbiting and division, or we will need to collectively abandon social media. During WWII the government essentially co-opted the entertainment industry for propaganda purposes, an anti-democratic effort which the American people tolerated. Would we tolerate something similar now? Or might state control of media simply help further undermine our already broken democracy? Here is an instance where there are no unambiguously good answers.
- An overarching goal of reducing energy and materials consumption, expressed through an integrated suite of practical strategies and tools for achieving that goal while minimizing human misery and social disruption. This is, in effect, a restatement of the items above, but it's important to keep in mind that they are not scattershot proposals for improving this or that area of human existence, but logical requirements stemming from a central goal—averting irreversible societal and ecological catastrophe resulting from population and

consumption overshoot accompanied by worsening pollution dilemmas (primarily, of course, climate change). Policy makers and ordinary people alike will need to start from, and maintain, this integrated framing of issues if the project is to have any hope of success.

So, in sum, a Green New Deal that would fully address the climate/energy crisis would have to be far broader in scope than what is currently being proposed. Ultimately, we will need to mobilize society as a whole with a [World War II-level of effort](#). Again, what's required is not simply to provide jobs to the un- or underemployed while building large numbers of wind turbines and solar panels; we will all need to live very differently and make some sacrifices. Given the already dangerously high and increasing level of economic inequality in the country, it would make sense to ensure that sacrifices fall mostly on those who are currently well-off, while the benefits of job creation are targeted toward those who are already feeling the pinch.

A Green New Deal is needed. It's an idea that deserves support from politicians and advocacy organizations. That said, it will be a difficult policy to negotiate in detail and much tougher to pass into law. But, in such a volatile political landscape, almost anything is possible—even a practical version of a Green New Deal that addresses our shared crises with the most equitable rules and institutions we can muster.