

# Introduction: Configuring the Green New Deal

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## **Abstract**

We introduce a themed collection of articles on approaches to configuring a Green New Deal as a response to the current capitalist crisis marked by ecological breakdown, economic stagnation and growing inequality. The Green New Deal is a contested political project, with pro-market, right-wing nationalist, Keynesian, democratic socialist and ecosocialist variants. Critiques of the Green New Deal include pragmatic queries as the feasibility of implementation, and theoretical challenges from the right regarding reliance on state forms and from the left regarding efforts to ameliorate capitalism. They also include concerns about technocratic bias and complaints about lack of meaningful consultation with Indigenous peoples on proposals for large-scale shifts in land use. Debates over the ideological orientation, political strategy and implementation of the Green New Deal must now account for the economic and employment impacts of COVID.

JEL Codes: Q43, Q54, Q56, Q58

## **Keywords**

Employment, energy policy, environment, Green New Deal, Indigenous land rights, inequality, sustainability

# The many crises of capitalism

It has become axiomatic to state that capitalism is in deep crisis. In the 13 years since the Global Financial Crisis (GFC), economic stagnation and high unemployment have persisted along with enormous increases in inequality and hastening ecological breakdown. We often refer to these interlocking crises as if their existence proves capitalism

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is unsustainable. But do widespread poverty, violence, injustice and the destruction of nature constitute a crisis for capitalism? The wealthy continue to accumulate previously unimaginable riches, fascism is reemerging in response to social unrest, and vast resources and safe havens are being secured to insulate the rich from the ravages of climate change. The GFC did not signal the widely proclaimed downfall of neoclassical orthodoxy, and the repeated insistence that 'we're all Keynesians now' sits uneasily alongside the continued implementation of austerity and rampant financial speculation. Scattered stimulus measures provoked by the early onset of the COVID-19 pandemic were mostly short-lived, aimed at propping up unproductive capital and dispensed with promises of the inevitable belt tightening to come. Meanwhile the Polanyian assurance that society will respond to the egregious destruction of the conditions of life by arresting the accumulation of capital – at the very least gaining some concessions – has not yet come to pass. Instead, climate change looks to be a new frontier for capital accumulation.

What we are living through is not the breakdown of capitalism, but the long aftermath of the world-historical defeat of labour. Recurrent and persistent crises are a feature, not a bug, and workers, the would-be gravediggers of capitalism, are weakened and isolated. Capital accumulation may have temporarily stalled in response to COVID-19, but the core institutions, relations and ideologies of capitalism are intact. This does not mean it is pointless to try and contest the stranglehold capital has over life. Opportunities exist in the restructuring of the relations and conditions of production in times of acute crisis. O'Connor (1998) suggests that the periodic crises of capitalism can be useful to the working-class, not because they naturally lead to 'wins', but because they tend to reveal the state form as the contradictory container of class conflict. The terrain of the state is the key battleground in the political economy of the 21st century. COVID-19 has made it stunningly clear that the battle for control over resources, production and distribution centres on the state. Although the decline of organised labour and associated institutions has left a political vacuum that has not been filled by social movements capable of wielding the same power, abandoning the state as a viable terrain of social and political contestation is not an option. Renewed discussion of the capitalist state and its role in both producing and responding to these interlocking crises is urgent.

## **Enter the Green New Deal**

The Green New Deal (GND) re-emerged in 2019 as a political project which turns to openly grapple with the twin crises of catastrophic climate change and economic stagnation. It had first been suggested in 2008 in response to the GFC. The GND represents three significant shifts in climate politics. First, it entails a decisive rejection of the 'jobs versus the environment' framing which has so successfully pitted organised labour and environmental movements against each other for decades. Second, it supplies an alternative to a market-led transition as we rebuild our societies and prepare them for a climate-changed world; and finally it represents a collective, potentially even democratic response to the intersecting social, ecological and economic crises we confront. In short, the GND has the potential to re-legitimise the role of the state as a key actor in the economy, and undermine one of the drivers of stagnating wages by reinforcing frayed

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social safety nets and through public investment in education, health, housing and transport. The GND represents a dramatic reversal of decades of austerity and is therefore a threat to certain fractions of capital, right-wing adherence to small state ideologies and neoclassical economics alike.

Why now? As the waves of crisis continue to advance with increasing speed and rapidly mutating effects, it has become increasingly difficult for states to suggest that we have no money for meaningful responses. Perhaps even more pertinently, with wage stagnation and asset bubbles causing the cost of living to juggernaut from one extreme to the next, crises are moving from the margins of our societies and into the previously protected middle-class suburbs. The cost of education, childcare, health care and energy have sky-rocketed, while underemployment has risen and an increasingly hostile climate has put the squeeze on food production. The generalisation of the crises across previously disparate communities has met with another fragmentation-cum-rearticulation of social forces: the old organised labour of the Left is weak, allowing the GND to set up a new terrain for intersectional class struggle capable of diversifying social movements while grounding them in class analysis. And perhaps most excitingly, the end of history has been declared null and void by a rising swell of voices across the periphery and core countries. Class-based analysis is back on the menu, this time fortified by critiques from the formative interstices: racial, ecological, gender-based and Indigenous-led critiques have each emerged to test foundational assumptions and strengthen the bases for capital's deconstruction.

# No fixed abode: The GND as a contested political project

While the moment has proven fertile ground for radical aspirations, we do not suggest that the GND is a fixed political project for progressive utopia. The basic components of a GND are those of expansive industrial policy geared towards preparation for the warming world. This typically includes such policy planks as the creation of green jobs (the 'low carbon jobs of the future' tend to be based in renewable energy and care work), shifting energy supply to renewable sources, building and retrofitting existing housing stock and crucial infrastructure, and restoring severely degraded ecosystems. This basic blueprint for a GND is open to a variety of political orientations. Previously we have suggested these can be grouped into a loose typology (Heenan and Sturman, 2020). What is clear is that the GND opens up space for old ideas about the development of capitalism, the state, labour and nature to be hashed out again in new political and ecological terrain.

The diverse orientations to the GND include broadly pro-market, right-wing nationalist, Keynesian, and democratic socialist and ecosocialist approaches. Each of these relies upon a particular theoretical orientation to the articulation of the political and economic in capitalism, including how the 'spheres' relate to one another, and it is from these nuanced perspectives that political agendas unspool. Pro-market approaches may be characterised as opportunistic attempts to reinvigorate capitalist accumulation by way of 'green' rhetoric, consistent with the deployment of concepts such as 'sustainable development'. Building on these foundations, right-wing, nationalist approaches tend to invoke the GND as a popular front for reactionary nation-building, and the concentration rather than diffusion of power across the tangled webs of politic and economic. Keynesian

approaches similarly tend to leave broadly intact existing political-economic articulations but call for the greater concentration of power in the hands of state-led technocratic experts, in order to implement top-down reform programmes geared at restoring economic growth. Finally, a variety of democratic socialist orientations to the GND seek spaces of emancipation in the increasingly contradictory state forms enabling and constraining capital accumulation. This approach emphasises the importance of a democratically determined programme built from the ground up, one that is internationalist and focused not just on an energy transition but on transforming all areas of life and work.

Partly as a result of the political diversity of various GND programmes, the GND has been critiqued from a range of perspectives. Critiques of political, social and economic barriers to the successful implementation of the GND are most useful to policy makers. However, more theoretical critiques of the substance and political purpose of the GND should also be of interest to those outside of academia concerned with how the transition to a low-carbon society might occur. If all politics are now climate politics, and the GND is being positioned as the 'Marshall plan' for the 21st century, the politics of the GND represent a significant battleground of economic thinking. Critiques of the GND from the political right focus on an aversion to 'command and control' measures employed by the state to mitigate and adapt to climate change, as well as government budgetary constraints. The GND has also come under fire from the left as a vehicle for the continuation of capitalism in crisis, a programme capable of smoothing over the contradictions of the economic system in order to further delay a reckoning between social classes. There is a clear danger that the GND provides a gift to capital by boosting investment and consumer demand both of which were flagging in many countries even prior to the COVID crisis – through private public partnerships and increased infrastructure spending.

Soon after Ocasio-Cortez presented the GND in the US, the Indigenous Environment Network (IEN, 2019) pointed out that a programme involving the reorientation of the economy towards the care of people and planet, not to mention large-scale shifts in land use, was missing any reference to meaningful consultation with Indigenous peoples. The IEN also argued that the GND cannot rely on market mechanisms to achieve 'net zero emissions' and that plans to shut down fossil fuel extraction and production need to be made clearer in the programme. Other critiques have focused on the transition of the energy sector in particular, arguing that the expansion of renewable energy necessary for the 'electrification of everything' presented in the GND would necessitate the continuation of fossil fuel production and the extraction of key minerals like cobalt and lithium for battery storage. This critique highlights the danger of the GND remaining a nationalist response to climate change, where states capable of sourcing the materials for the infrastructure of the GND are able to push the environmental and social impacts of renewables expansion to the periphery of the global economy.

Finally, critiques of the design and implementation of the GND imagine it as a technocratic solution to problems created by the pursuit of endless economic growth. Rather than attempt to slow the economy to a 'steady-state' as degrowth theorists argue is necessary to reverse environmental degradation and climate change, the GND represents an enormous increase in economic activity designed in part to jumpstart sluggish Western economies. Degrowth proponents argue that such an expansion is at odds with the stated goals of reducing emissions and transitioning to a low-carbon society.

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## This themed collection

Clearly, the politics of the GND provides fertile ground for academic discussion of how the transition to a low-carbon society may occur. The papers in this issue set out to sketch some of the contours of the GND, and offer an entry point into the ongoing debates for both policy makers and academics. They begin a conversation that we hope continues in the pages of this journal over the next few years – a crucial time for policy responses to climate change. The GND, despite the 'New Deal' moniker that geographically and temporally locates the idea in the USA, will come to refer to historically specific, localised responses to the variegated but common experiences of advancing climate change and economic crisis. In this special issue, papers range from a broad appraisal of the GND as a political-economic programme to the local implications of specific policies within the GND. Frank Stilwell traces the evolution of 'green jobs' through to the GND, with a particular focus on the political economy of the GND in the Australian context. Ying Chen and An Li provide an essential Global South perspective on the GND, arguing that programmes predicated on the expansion of jobs must account for the substantial share employment and production that takes place in the informal economy. Susan Schroeder contributes to ongoing debates about how a GND could be financed by modelling a wealth tax. Finally, focusing on Delhi, Rohit Azad and Chouvik Chakraborty propose a carbon tax designed specifically to address environmental injustice and income inequality. Finally,

We are very pleased to be able to provide these critical perspectives on the GND after a tumultuous year involving many delays, but many more fruitful conversations and debates. The GND provides a welcome shift in climate politics at a time of high uncertainty over the fate of labour and nature. Debates over the ideological orientation, political strategy and implementation of the GND must now account for the impacts of COVID, and the pressing need for states to increase economic activity in the wake of lockdowns, with falling demand and slowdowns in production. We hope this issue provides a useful starting point from which others can continue to develop critical analyses of the politics of the GND.

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