

MOBILIZING  
FOR A  
**JUST,**  
**PROSPEROUS,**  
AND  
**SUSTAINABLE**  
**ECONOMY**



# THE GREEN NEW DEAL

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## IN THE LAST WEEKS OF 2018, THE IDEA OF A “GREEN NEW DEAL” EXPLODED INTO AMERICAN PUBLIC CONSCIOUSNESS.

Building on the long struggles of the environmental, economic, and racial justice movements, Congresswoman Alexandria Ocasio-Cortez, along with the Sunrise Movement and Justice Democrats, demanded that the U.S. House Democratic leadership get serious about the crises of climate change, poverty, extreme inequality, and racial and economic injustice.

Why not, they asked, mobilize our nation’s unparalleled wealth, creativity, and extraordinary human potential to transition to a just, prosperous, productive and fully sustainable society?

Hundreds of major environmental and progressive organizations quickly endorsed and added their voices to Ocasio-Cortez’s detailed resolution calling on House Democrats to draft a plan for a Green New Deal.

Now, with the introduction of a new resolution by Representative Ocasio-Cortez and Senator Edward Markey, the campaign for a Green New Deal is poised to surge again.

**This document describes in detail what the excitement is about.**



# THE CASE FOR AN ECONOMIC MOBILIZATION



The Green New Deal is premised on the realization that America now faces what the great American philosopher William James once called “the moral equivalent of war” in the twin crises of climate change and worsening income inequality.

Like an actual war, the challenges we face are both “existential” in their importance and in need of a full national mobilization to be vanquished.

**A society whose members are excluded by the privileged and powerful and whose cohesion is weakened by class and ethnic divisions is a society at serious risk.** Yet, this is the type of divided society – this fractured America – that now must halt the climate crisis and reverse the worst of its consequences. Unlike our economic systems, climate change does not discriminate. Destructive droughts, collapsing ecosystems, superstorms, floods, sea level rises, and wave after wave of wildfires: the “war crimes” committed by climate change affect us all, even if some of us have yet to feel them directly. Our problems, in other words, are national problems, collective problems. We are in this together, and that means that we, together, must solve them, exercising our unparalleled powers of collective agency. That is what mobilization – and hence the Green New Deal – is all about.

**Why mobilization? Because effective national action to address a national threat has to be coherent national action aimed at that threat.** A divided population will not, on its own initiative, act as one. Nor will businesses or industries solve our greatest challenges on their own – precisely because these are our challenges, all of ours, which no individual, business firm or industry can profit from by trying to solve alone.

**What a nation can do and can build is ultimately limited only by the size, skills, and creative energies of its population; the capacities of its companies, organizations and governments; and its available natural resources.** On all of these counts – people, organizations, and resources – America is unsurpassed among nations. We have everything we need to achieve a just, prosperous, and sustainable economy – the kind the New Deal brought to some Americans, and that the Green New Deal will bring for all Americans. **All we await is a catalyst.**





## THE CASE FOR AN ECONOMIC MOBILIZATION

**Just as the 1929 crash and the Pearl Harbor attack catalyzed the New Deal and World War II mobilizations** – the U.S.’s last great economic mobilizations – the collision between the consequences of our collapsing economy and the realities of our burning planet must catalyze action now. And just as America began to forge a noble path beyond fascism and authoritarianism and became “the Arsenal of Democracy” during the 1930s and -40s, so must we chart a course beyond the limits of what is currently deemed politically “feasible” and become the “arsenal of climate and economic recovery” that we need to decide the future of our nation and our families.

**It is critical to remember that neither at the start of the Depression nor after Pearl Harbor was the nation prepared for the crises it then faced.** In fact, as the U.S. prepared to enter World War II, our economy lacked the capacity to build the ships, tanks, airplanes and other armaments and munitions that would be needed, or to produce needed inputs like steel, aluminum, rubber, concrete, and other essential materials in adequate quantities. Many were skeptical whether the country could “gear up” fast enough to avoid losing a war that it had neither sought nor prepared for.

**But a new Office of War Mobilization and War Manpower Commission did what was then thought “infeasible” and quickly developed means of converting the nation’s economy to a war footing.** Industrial leaders assessed and organized industrial capacity, helping to transform private factories into military production facilities. Organized labor worked with the federal government to ensure living wages for workers and maintain steady production. Thousands of Americans moved to new hubs of military production to work in the war effort, and millions more assisted the war effort by participating in salvaging drives and purchasing war bond purchases.

**Within months, new modes of government contracting and mass production had been developed,** so that by halfway into the first year of the war the U.S. was out-producing its allies and adversaries combined, paving the way for Allied victory.

**America still has the resources and people it needs to mobilize.** Indeed we are more creative and energetic than ever, not least because of the progress we have made since the 1960s in including all Americans in our great democratic project.

**But we still lack forward-looking leadership.**



## THE CASE FOR AN ECONOMIC MOBILIZATION

**For the past four to five decades, America's political and business leaders have failed to invest in or even look toward our future,** content instead to entrust these responsibilities to the "private sector." This has meant that many of our resources and much of our creative and energetic population have been used solely to generate revenue for a comparative few, leaving most other Americans either chronically underemployed or employed in activities that exacerbate the worst aspects of our current economy.

**Not coincidentally, during this time it has also been popular to believe that private firms can somehow bring on the best possible outcomes for our society.** But this is a nonsensical belief, little different from believing an orchestra can play a fine symphony without a conductor. It doesn't matter how good every flutist or cellist or drummer is, if their efforts aren't orchestrated coherently – if they're not led and supported. The federal government – our government – is the only body with the power, resources, and mandate to provide direction and support at the scale and speed required to realize the Green New Deal. This is, like the challenges noted above, a national mobilization, requiring a national effort and national orchestration.

**Mobilizations of this kind cannot be led simply by bureaucrats.** Rather, great national projects, including development and redevelopment projects, have always been orchestrated by bold national leaders who bring into harmony talented, energetic, and knowledgeable people from all sectors – labor, industry, government, nonprofits, community organizations, and others. This has been the secret of every national economic mobilization in world history: each one brought together, inspired, and led remarkable teams of remarkable people from all corners of society, organizing and channeling their talents and energies into transformative national action.

**That was true of America's "takeoff" in the 19th century, Japan and Germany's "takeoffs" in the early 20th century, and South Korea's and China's "takeoffs" during the late 20th and early 21st centuries.** It has been equally true of all great re-building, re-constructing, and re-development projects throughout human history, including the reconstruction of America's economy during the New Deal and of Europe's and Japan's economies after the Second World War.

**In the U.S. today, our people and resources are much richer and more talented than ever before. But we await a new generation of visionary "conductors" – and a mission. The Green New Deal is that mission.**



# AN INSISTENCE ON INCLUSION

The Green New Deal's name signals its twin ambitions.

**The Green New Deal is “Green”** in the sense that its aim is to modernize our economy comprehensively so that we no longer have to poison our environment, subsidize decaying infrastructure, and sacrifice poor and working class communities to all manner of pollution and environmental degradation, simply to produce wealth that benefits a tiny fraction of Americans.



**It is a “New Deal”** in the sense that it works on a scale not seen in our country since the New Deal and World War II mobilizations – carefully developed series of historic national projects, conducted on a grand scale, that put scores of millions of Americans back into productive and high-paying jobs and transformed our economy into the greatest engine of production and widely shared prosperity that the world had ever known.

But the original New Deal also bore flaws born of its genesis in compromises made with conservative politicians, and in this sense the Green New Deal will improve on its predecessor. The original New Deal favored whites over people of color, exacerbating the racial wealth gap that was the most pernicious legacy of the eras of slavery and Jim Crow. It similarly favored men over women. The New Deal also fell short of providing access to affordable health care, higher education, and guaranteed work to all Americans, settling instead for “encouraging” rather than guaranteeing provision of these essential components of a livable life.

President Roosevelt planned to address these remaining challenges after World War II through a visionary “Second Bill of Rights,” but he died before the effort could begin. The Green New Deal will at long last redeem that great promise – our birthright as Americans and as human beings.

Equity is accordingly as central to the design and goals of the Green New Deal as is addressing the existential threat of climate change.



## AN INSISTENCE ON INCLUSION

**Where the original New Deal kept people of color – particularly Black people – subordinated as a servant class vulnerable to economic exploitation and instability,** the Green New Deal will bring the employment, business ownership, and wealth-generating opportunities that these communities need in order finally to have full and unfettered access to our economy and our political processes.

**Where indigenous rights have been previously neglected or pushed aside,** the Green New Deal will affirm treaty rights and respect the claims that Native Americans have to tribal lands as sovereign peoples.

**Where the New Deal often excluded or underpaid women in ways that kept them financially dependent,** the Green New Deal will expand economic security and opportunity for women, so that they have the means to support themselves and their families, even into retirement.

**Most importantly, the Green New Deal will lay the foundation for a new economy where the dignity and value of all Americans are respected, affirmed, and rewarded,** regardless of who they are or what they own. Injustice simply cannot be the price of progress – not again.

**The Green New Deal is not, then, a “low-ball,” “incrementalist,” or otherwise trivial “tax and incentive scheme”** meant to “nudge” a few private firms into producing some modestly beneficial market outcomes for a few privileged people. Nor is it merely a limited infrastructure package or “make-work” jobs scheme. It is much more ambitious than any of these things – fully as ambitious as the original New Deal and then some. It is a sweeping, comprehensive set of transformative national projects that will make our economy and society unprecedentedly prosperous, equitable, and sustainable within 10 years of launch.

**Each Green New Deal project will invest in workers, businesses, communities, and hence our whole nation.** It calls our whole society to participate in a grand national project: the rapid transition to a “good society” – a society of broad opportunity, equal occupational and political justice, productive prosperity, and environmental sustainability.



# SPECIFIC PROJECTS



As outlined by the Ocasio-Cortez and Markey resolution, the Green New Deal brings together into one coherent whole – one “orchestra” – a multitude of interlocking, mutually-complementary, and critically-necessary projects.

Many are obviously needed, commonsense matters. Others offer value that becomes obvious only upon reflection. All will contribute to **five goals**:

- 1** | **Achieve net-zero greenhouse gas emissions** through a fair and just transition for all communities and workers.
- 2** | **Create millions of good, high-wage jobs** and ensure prosperity and economic security for all people of the United States.
- 3** | **Invest in the infrastructure and industry** of the United States to sustainably meet the challenges of the 21st century.
- 4** | **Secure clean air and water, climate and community resilience**, healthy food, access to nature, and a sustainable environment for all.
- 5** | **Promote justice and equity** by stopping current, preventing future, and repairing historic oppression of frontline and vulnerable communities, including indigenous peoples, communities of color, migrant communities, deindustrialized communities, depopulated rural communities, the poor, low-income workers, women, the elderly, the unhoused, people with disabilities, and youth.

**The Green New Deal will meet these goals through specific projects**, many of which combine reforms needed to reduce emissions with reforms that build equity and invest in the next generation of American industry and innovation.

## **These projects will:**

- ▶ **Build resilience against climate change-related disasters by upgrading existing infrastructure** and providing adequate capital, technical expertise, supporting policies, and other forms of assistance for community-defined projects and strategies.
- ▶ **Repair and upgrade U.S. infrastructure to eliminate hazardous byproducts and greenhouse gas emissions** as much as technologically feasible, to fix all roads, bridges, and tunnels, to ensure universal access to clean water and nature, and to reduce the risks of flooding and other climate impacts.





## SPECIFIC PROJECTS

- ▶ **Meet 100 percent of our power demand through clean, renewable and zero-emission energy sources** by dramatically expanding and upgrading existing renewable power sources and deploying new capacity. This will require not only direct investment in clean energy projects but also indirect investments into feeder industries including clean steel, aluminum, and other related industries to ensure that the U.S. has the capacity to produce needed materials without the emission of greenhouse gases and other pollutants.
- ▶ **Build energy-efficient, distributed and “smart” power grids** to enable the generation, distribution, and storage of electricity from renewable sources.
- ▶ **Upgrade every building to achieve maximal energy efficiency, safety, and durability.** Projects will be designed to foster ownership by communities, with the work being done by local firms, organizations and co-ops, with startup capital made available to people who want to form new firms and co-ops, and with care taken to invest in communities that have been denied capital and development for generations.
- ▶ **Spur massive growth in clean U.S. manufacturing and eliminate hazardous byproducts and greenhouse gas emissions** as much as technologically feasible by investing in existing and new clean manufacturing industries and supporting adaptation and energy efficiency upgrades for manufacturing facilities.
- ▶ **Work collaboratively with farmers and ranchers in the United States to remove pollution and greenhouse gas emissions from the agricultural sector** as much as is technologically feasible, by supporting family farming, by investing in sustainable farming and land use practices that increase soil health; and by building a more sustainable food system that ensures universal access to healthy food.
- ▶ **Overhaul U.S. transportation systems to eliminate pollution and greenhouse gas emissions** as much as technologically feasible, including by creating affordable and clean high-speed rail, public transit, electric vehicle infrastructure; expanding electric automobile manufacturing to replace all combustion engine-based vehicles.
- ▶ **Mitigate and manage the long-term adverse health, economic, and other effects of pollution and climate change** by providing adequate capital, technical expertise, supporting policies, and other forms of assistance for community-defined projects and strategies.
- ▶ **Remove greenhouse gases and reduce pollution by restoring our natural ecosystems** through proven low-tech solutions such as reforestation.
- ▶ **Restore all threatened, endangered, and fragile ecosystems** to enhance biodiversity and support climate resiliency.
- ▶ **Clean up existing hazardous waste and abandoned sites**, ensuring economic development and sustainability on those sites.
- ▶ **Identifying other emission and pollution sources** and creating solutions to remove them.
- ▶ **Promote the international exchange of technology, expertise, products, funding, and services** to help other countries achieve a Green New Deal.



# A NEW SOCIAL CONTRACT



**A national mobilization of the size and scale of the Green New Deal presents an unprecedented opportunity to eliminate poverty in the United States and to make wealth, prosperity, and security available to every person who participates in the transition.**

**But the question of who can participate – and whether, when, how, or where they are allowed to act – is as fraught now as it ever has been.**

**As in the original New Deal, the Green New Deal can, and will, forge a new social contract for our nation.** Deciding who can participate in the Green New Deal means more than deciding who can get a new “green” job or who can afford to get solar panels on their home. It means deciding who can benefit from the economy and who cannot; who can transform income into wealth and who cannot; and whose children will prosper in the next generation and whose will not. The Green New Deal must expand access to the full promise of America for generations to come.

**The Green New Deal will establish a social contract that is deeply just and radically inclusive, written in concert with a broad and representative coalition, starting with the goals and policies enumerated below:**

- ▶ **Ensure democratic and participatory processes that are inclusive of and led by frontline communities and workers** to plan, implement, and administer Green New Deal projects at the local level.
- ▶ **Provide adequate capital (including through community block grants, public banks, and other public financing mechanisms), technical expertise, supporting policies, and other forms of assistance** to communities, organizations, local and state government agencies, and businesses working on Green New Deal projects;
- ▶ **Provide resources, opportunity, training, and high-quality education**, including higher education, to all members of our society so they can be full and equal participants in Green New Deal projects.
- ▶ **Direct investments to spur economic development**, as well as deepen and diversify industry, in local and regional economies, prioritizing high-quality job creation and economic, social, and environmental benefits in frontline communities.



## A NEW SOCIAL CONTRACT

- ▶ **Require that Green New Deal projects create high-quality union jobs** that pay prevailing wages, hire local workers, and offer training and advancement opportunities.
- ▶ **Guarantee a job with a family-sustaining wage**, adequate family and disability leave, paid vacations, and retirement security to all members of our society.
- ▶ **Recognize the right of all workers to organize, unionize, and collectively bargain** free of coercion, intimidation, and harassment.
- ▶ **Enforce labor, workplace health and safety, and wage standards** across all employers, industries and sectors.
- ▶ **Ensure a just transition for communities where the fossil fuel industry holds significant control over the labor market.** This includes not only training and wage replacement programs for fossil fuel workers themselves, but also investment in the businesses and workers that previously served them.
- ▶ **Enact and enforce trade rules, procurement standards, and border adjustments with strong labor and environmental protections** to stop the transfer of jobs and pollution overseas.
- ▶ **Obtain the voluntary, prior, and informed consent of Indigenous peoples for all decisions that affect them**, honor all treaties with Indigenous peoples, and protect and enforce the sovereignty and land rights of all Indigenous peoples.
- ▶ **Ensure a commercial environment where every business person, large and small**, is free from unfair competition and domination by monopolies domestically or internationally.
- ▶ **Ensure economic security in the event of** unemployment, an accident, sickness, disability, old age, or other lack of livelihood;
- ▶ **Provide all members of society with high-quality health care.**
- ▶ **Ensure universal access to safe, affordable, and adequate housing.**
- ▶ **Guarantee universal access to clean air, clean water, healthy affordable food, and nature.**
- ▶ **Decarcerate, expand re-entry programs for those who were formerly incarcerated**, and reduce legal barriers that may prevent ex-offenders from entering jobs related to the Green New Deal.
- ▶ **Establish mechanisms to support continued public investment** in the priorities of the Green New Deal after the mobilization ends.



# FINANCING



**The Green New Deal will be financed in the way all federal projects – from wars through construction and reconstruction to tax cuts – over the past century have been financed: Congress will authorize necessary expenditures – direct spending, loans, loan guarantees, joint ventures, etc. – and the Treasury Department will then simply spend as instructed.**

This is how the New Deal, the Second World War, the Apollo and Space Shuttle programs, and the Vietnam, Gulf, Afghan and Iraq wars were financed. It is also how every significant tax cut, from those of Kennedy through those of Reagan, Bush and Trump has been financed.

**In light of these payment mechanics – which any American can check simply by examining the financial statements of our Treasury Department and Federal Reserve –** pundit questions like “where will the money come from?” are simply ill-formed, like asking where the points on a scoreboard “come from,” where one might find a round square, or how one can drive a car without a toothbrush. They reflect simple ignorance, in other words, of how public finance “works.”

**It is legitimate to ask, however, whether Green New Deal program costs will in some way necessitate new taxes or high federal debt.** The answer to this question is, “very probably not, but it depends.” What “it depends” on is whether the renewed federal spending occasioned by the Green New Deal ends up exerting significant inflationary pressures in the macroeconomy that require taxation and/or bond issuances to absorb “excess money.”

**If recent history is any indication, the chances of significant consumer price inflation pressures generated by the Green New Deal are virtually nil.** The tax cuts of December 2017 injected nearly \$2 trillion new dollars into our economy, and no such inflation has resulted. The Afghan and Iraq wars saw close to \$3 trillion in new federal expenditures, and again, no such inflation resulted. The Fed has, in fact, sought since 2012 to bring U.S. consumer price inflation up to 2%, and has succeeded in doing so only several



quarters in nearly seven years. Treasury securities markets, meanwhile, show virtually no “spread” between ordinary Treasuries and inflation-protected Treasuries, indicating that financial market participants see no threat of inflation on the horizon. Indeed, in nearly all of the “developed” world for the past several decades, not inflation, but deflation has loomed as the primary threat to economic well being.

**Add to these observations that the Green New Deal will boost the productivity of the American economy to new heights,** and the threat of consumer price inflation recedes even further into the background. Inflation, as the old saying has it, is the problem of “too much money chasing too few goods.” A new green economy, producing solar panels and solar farms, windmills, hydroelectric plants, carbon-neutral automobiles, refurbished buildings and infrastructure, and a host of other products will be an economy with plenty of new “goods” to absorb its new money.

**Were inflation to return as a threat for the first time in half a century, furthermore, there are time-honored ways of preempting it.** These include not only taxes and bond issuances, but also “macroprudential” limits on bank over-lending and financial market speculation. Indeed, since the only “inflation” we’ve seen in recent decades has been in the form of financial market bubbles, which are simply asset price hyperinflations, we have good reason to tax more in those markets in any event. This is one reason that Representative Ocasio-Cortez’s mention of possible tax rises for multi-millionaires and her support for a financial transaction tax makes good sense quite apart from the Green New Deal.

**In any case, the Green New Deal raises no new “pay for,” “inflation,” or “taxation” questions.** It is on exactly the same footing as the original New Deal, our past and recent wars, and our recent tax cutting binges where these questions are concerned. There is literally no more reason to wring hands about such things here than there was there. To suggest otherwise is simply misleading.



## THE UNITED STATES HAS SHOWN TIME AND AGAIN THAT IT CAN DO BIG THINGS – BIGGER THAN ANY OTHER NATION HAS DONE – WHEN IT THINKS BIG.

**But for too many decades, fear and complacency has kept our leaders frozen.** Many individuals and firms, in the face of that leadership vacuum, have rationally sat back and waited, hoping for things to get better. The result is malaise and stagnation, with wealth concentrating up at the top, poverty overwhelming the bottom, injustices fomenting ethnic and class divisions, and insecurity menacing the middle.

**Meanwhile the planet is burning, threatening all of humanity and most forms of life with certain extinction.**

**All we've been waiting for throughout this decline is good faith, clear vision, and leadership – someone to "conduct" this great orchestra of talented "musicians" that is America.** The Green New Deal is nothing more and nothing less than the plan to lead our great orchestra and, in so doing, to restore our country and rescue our planet. This can, must, and will be done, as readily as every other great thing we have done.

**The vision is here.**

**The barriers are breaking.**

**And we shall move forward.**