

Changing the Weather: Towards a Green and Just Recovery

A Submission to the Re-Set Enquiry by Molly Scott Cato, Peter Newell & Andrew Simms & Molly Conisbee

On behalf of the [Rapid Transition Alliance](#)

‘This pandemic is not a war. Nations do not stand against other nations, or soldiers against other soldiers. It is a test of our humanity.’

German President, Frank-Walter Steinmeyer

‘I believe the generosity and solidarity in action in the present moment offers a foreshadowing of what is possible – and necessary. The basic generosity and empathy of most ordinary people should be regarded as a treasure, a light and an energy source that can drive a better society, if it is recognised and encouraged.’

Rebecca Solnit, [author, Hope in the Dark](#)

Summary

We have been watching in alarm for decades as the climate and ecological crises have accelerated, with most politicians paying lip-service rather than taking action. During the devastating crisis of Covid-19, and with much of the world on pause, we have the opportunity to ask whether we really want to return to the self-destructive ways of the past. We have an unprecedented opportunity to use this time to rethink some of the fundamental assumptions underpinning the globalised world of 2020. This could be the year when we have the courage to undertake the radical redesign needed to create a fair and sustainable world. The present crisis has been foreshadowed by many others that were ignored, side-lined, and where opportunities to make change were squandered. This time must be different.

In this submission, we highlight a series of lessons from Covid-19. These include the role of government, the importance of valuing the care economy and the need to increase the resilience of life-sustaining systems like food, employment, and energy. These changes can improve the sustainability and resilience of our local and national economies.

Our Covid-19 reset is based on improving economic security for all through a universal basic income scheme, a Green New Deal to radically and rapidly decarbonise the economy through (amongst other things) programmes of insulation and retrofit for houses, and support for new low carbon transport infrastructures (cycle lanes, EV, pedestrianisation). Such programmes can be funded by redirecting finance away government support and subsidies for fossil fuel sectors and shelving plans for costly and carbon-intensive infrastructure such as airports, roads and the controversial HS2 project. These necessary changes are the basis of a just and green recovery.

Part One: Lessons from Covid-19

1. *What policy measures or initiatives were introduced in response to Covid-19 that we should look to replicate for the long-term?*

Government is powerful and we can all change much more rapidly and fundamentally than we thought.

Covid-19 and the ensuing lockdowns resulted in sudden and dramatic constraints on shopping and travel which people quickly adapted to. But this is not an entirely new experience. Both the United States and the United Kingdom, for example, which have had the worst records in managing the current pandemic, have within living memory gone through periods of rapid transition.

There was a huge reduction in the consumption of fuel and resources as part of a concerted, collective Second World War effort. Governments rallied their populations, and communities worked together with countless acts of solidarity, rationing, and sharing limited resources during the midst of fuel and food blockades. History shows us that societies constantly change, sometimes with great rapidity. The extension of the franchise to working men and later women, the legalisation of trade unions, the introduction of the Welfare State, Roosevelt's post-war 'new deals' (in part the inspiration behind the contemporary Green New Deal) were all long-argued and campaigned for, their introduction sometimes precipitated by a crisis, such as war.

As in the current pandemic, where clothing factories have been redeployed making PPE, and beer and gin manufacturers hand sanitiser, industries were quickly converted for the war effort. Later in the war, clothing and furniture were also rationed. To maximize war production and reduce imports, massive schemes were undertaken to recycle as much material as possible. Over-consumption and waste were considered selfish and unpatriotic, a message reinforced by government propaganda posters. Rationing saw health improve as more people had access to a better diet. During the recent lockdown rationing was also introduced on essential items, and key workers and vulnerable groups given special access shopping hours.

Key lessons from this period of history include that:

- Whole economies can be re-engineered in just a few years where there is political will and public engagement and commitment to a "cause beyond self".
- To live within planetary boundaries limits on the use of nature and resources must be set – such as capping greenhouse gas emissions. That leads to questions of everyone getting a fair share of what can be used – in other words, entitlements, or rations. But for rationing to work it needs not just to be fair and necessary but seen to be so as well.
- Shifting to lower-consumption, with less car-dependent lifestyles, and more plant-based diets can lead to rapid health improvements.

We have seen how peoples' behaviour has changed rapidly. This has been by force of circumstance, but some changes like home-working where possible, avoiding unnecessary travel, creating car-free spaces, local shopping and reducing food waste are things we might want to

hang on to. People can [change behaviour quickly](#):¹ consumer behaviour and social norms governing everything from the travel we do to how we entertain ourselves can and do change and adapt.

Change needs to be done fairly. Secure and decently paid work is vital to a just transition; a deliberate move away from casualisation and precarious contracts for the poorest in society. Any recovery needs to be ‘green’ and ‘just’ if it is to gain support and be effective. A ‘peoples’ bailout’ would ensure peoples’ basic needs are met through a scheme such as Universal Basic Income. Alongside this, support for cooperatives, social enterprise, [B-Corps](#)² and non-traditional business models that put welfare above short-term profit maximisation are key.³

We also need experts and robust science to guide policy, and the operation of scientific advice, its openness and transparency, also matters. The sources of data and the assumptions guiding policymaking need to be subject to greater public scrutiny, so we know whose advice is being acted upon and on what basis. Making the minutes of meetings of the SAGE committee publicly available would be a good start. We need to make sure that the precautionary principle guides decision-making and ensure that vulnerable groups are protected rather than triaged in the rush to return to business as usual as fast as possible. There could, for example, be an Office for Scientific Responsibility to mirror the function of the Office for Budget Responsibility.⁴

2. What were the benefits (including any unexpected benefits) of some of the policy measures implemented in response to Covid-19 that we should look to secure for the long-term, and how could this be done?

We are cooperative and socially oriented

The Covid-19 crisis has revealed how the value of lives and the work people do cannot be judged by economic metrics alone. There are no categories of citizen that are important than others and there has been strong push back against early government enthusiasm for ‘herd immunity’ but which might be better labelled ‘triage’ or survival of the fittest. A strategy which knowingly put some members of society at risk to keep the economy running for as long as possible has been rejected by the majority.

We have also seen that there is a thirst for citizen engagement: people are not simply passive or self-interested. Furthermore, global solidarities and internationalism do not have to fall away because we need to strengthen local communities. Most have been appalled at the suffering elsewhere as well as the attempts by leaders such as Donald Trump to blame the crisis on particular countries or ethnic groups.

¹ <https://www.rapidtransition.org/resources/climate-rapid-behaviour-change-what-do-we-know-so-far/>

² <https://www.rapidtransition.org/stories/new-economics-the-rise-of-the-b-corp/>

³ <https://www.rapidtransition.org/commentaries/the-business-of-rapid-transition/>

⁴ Do we need an Office for Science Responsibility?
<https://www.sgr.org.uk/resources/do-we-need-office-science-responsibility>

Many large, energy intensive economic sectors such as transport and fossil fuel extraction face the need for urgent conversion in the face of the climate emergency. The pandemic has been a reminder of how quickly conversion can be when there is a will and necessity to make it do so.

A brewer of ‘craft’ beer starts making sanitising hand gel and a car manufacturer converts one of its factories so it can make medical face masks. Just two of the many global examples of how different industries responded to the health crisis and economic shock of the coronavirus pandemic. Several other times, like the war experience mentioned above, have revealed the ability for rapid industrial conversion, not just to tackle tragic but transient challenges, but long-term economic and geo-political shifts. There are the lessons about industrial conversion for the long term, rapid transition to a low carbon economy, not just from the pandemic response, but also ranging from conflict to the end of the Cold War.

In China where the pandemic began, a car plant run by the manufacturer Fiat Chrysler was converted to make [face masks](#) for health and other key workers, with several more in the car industry redirecting resources to address the shortage of hospital ventilators. Making ventilators is, however, a highly specialised task not easy to begin quickly. For that reason, clinicians at London’s teaching hospital, UCLH, worked with engineers from Mercedes, to develop and rapidly introduce for testing a simpler breathing aid which still gets oxygen to the lungs, but without a full ventilator. In the United States a team of car prototype designers from the maker Ford worked with a range of others including doctors and even a hair stylist, to design and begin [producing by hand](#) protective face shields for health workers and ‘first responders’ in Detroit.

Elsewhere, a distillery in Aberdeen, Scotland, was re-purposed from making beer to help [meet the shortage of hand sanitiser](#). On a larger scale, Aberdeen is a city that has been synonymous with the oil and gas industry which is now [planning to transfer its skills](#) to convert to be a leading renewable energy player. For other sectors it has been a matter of changing how their businesses operate. [With restaurants and many fast food outlets closed due to the pandemic, the Leon chain collaborated with food suppliers and distributors to begin delivering meals to front line health staff. The Cooperative also provided free meals to the children of its Co-op academy schools, as well as delivering to food banks.](#)

Current responses echo a long and dynamic history of innovation during upheavals. In times of national emergency such as war – and today’s global pandemic – the need for certain skills and products come sharply to the fore. In wartime, planes are needed more than domestic cars and in times of mass respiratory illness, face masks and ventilators matter more than executive bonuses.

Key lessons about industrial conversion include:

- At times of crises governments need to prioritise welfare and sustainability over business-as-usual production. Despite the shocks and disruption, new models of business can emerge which provide the basis of a more sustainable economy. Rapid industrial conversion is possible with many sectors having transferable skills that allow for diversification and sometimes unlikely switches, such as from making Formula 1 cars to [medical equipment, or North Sea oil rigs to wind turbines.](#)

- When industries need to change and convert to a new purpose, some of the most innovative and effective ideas can come from the communities and work forces affected. An example of such a process that has provided [inspiration](#) to many is the Lucas Plan, developed in 1976 by the Lucas Aerospace Combine Shop Stewards Committee as a proposal to convert their factory to the production of social useful products. The PCS have included a proposal for such bottom-up conversion in their excellent [proposals](#) for a Just Transition led by working people.
- Smaller companies can prove more able to convert their business quickly to new kinds of work than large firms. Small and Medium Enterprises (SMEs) can often convert their business to other purposes more easily as their technology and business model is rarely as specialised as large businesses and therefore more adaptable. The importance of local level collaboration during the coronavirus emergency suggests lessons for government procurement, which tends to prefer tenders from large firms. Many smaller firms have responded flexibly en masse, for example in response to food procurement – with local caterers turning to delivery overnight.
- Successful conversions have been marked by consortiums working together, collaboration, learning from others and operating within a specific geographic area. Regional responses generally deal better with assisting not only major companies, but also small firms. Incentives and state support in the medium-term helps overcome companies' institutional resistance to diversification, while the regional approach can coordinate behaviour that would benefit the wider region for the common good.

3. What existing weaknesses in UK society and economy made the response to Covid-19 more difficult, and how might these be addressed to improve life in the UK and reduce the risk of future crises?

The global market economy is vulnerable

The first 'hardship' most British citizens faced from Covid-19 was when they could not buy toilet paper in their local supermarket. For many, this was the first tiny hint that the hugely complex global systems they had always relied on to match their consumption whims to the minutest detail might not be as robust as they had assumed. We have since moved through shortages of long-life milk, eggs and flour, especially bread-making flour, as people have experimented with baking their own bread. The [Sturminster Newton Mill](#) in a village in Southern England ceased industrial operations in the 1970s and became a museum, but suddenly found local people clamouring for flour in the current crisis and the ancient mill ground into action, producing as much in the last half of April as it did in the whole of 2019.

This is likely to be the beginning of a much more disruptive period when we may have to worry about volatility in global wheat prices rather than gaps on supermarket shelves. With movement of people as well as produce subject to restrictions, we can anticipate food, especially fresh food, not reaching our shelves, and are already seeing rapidly rising prices. The situation will be far

worse for the poorer countries of the world,⁵ where famine is already rife as a result of the climate emergency, and where global price volatility will lead to starvation, unrest, and potentially political revolutions, as it did a decade ago. For Africa's most populous country, the also highly urbanised Nigeria, this was already a problem by March, with the cost of rice in retail markets soaring by more than 30%.⁶

The need for more resilient systems around energy, transport that are less vulnerable to shocks of these sorts has become abundantly clear. Supply chain integration, a process where all the parties involved with the fulfilment of a product are integrated into a single system, has been seriously exposed by Covid-19. Just in time became just too late. And reliance on one country like China for so much global production is full of flaws like any monoculture system. Diversity of supply and 'reshoring' are the new imperatives. As a country the UK is highly dependent on imported food and we cannot guarantee that food supply chains will not be interrupted. There is a particular risk in the case of the fresh fruit and vegetables that are essential to a healthy diet. In 2017, 46% of vegetables and a massive 84% of fruit consumed in the UK were imported.⁷ Much of our fresh produce comes from Spain, which is particularly harshly affected by the Covid-19. Our dependence on wheat as a staple food is likely to lead to more serious issues than the difficulty of finding bread flour in the supermarket. Both Russia and Kazakhstan - key wheat exporters - are already restricting exports and wheat futures in Chicago rose by 8% in March.⁸

Concentration of production, when combined with poor standards of welfare and hygiene has had devastating effects. As food specialist Professor Jennifer Clapp argues regarding the meat industry: 'Concentrated markets dominated by just a handful of companies create narrow bottlenecks that heighten food system fragility. The meatpacking industry is one of the most concentrated in the United States, and in many other countries around the world. In Canada, just three meatpacking plants process over 95 percent of the country's beef and nearly all of its beef exports. In both the United States and Canada, meat processing plants have had to temporarily shut down because of outbreaks of Covid-19 among workers'.⁹

Supermarkets responded by cutting many of their lines and many local suppliers have tried to step into the void re-purposing their businesses for local delivery and meeting the demand for more locally produced and available goods. As well as exposing the fragility of global supply chains as we reach the limits of just-in-time production prone to a range of disruptions (pandemics, economic shocks, environmental impacts), it becomes clearer that human-scale economies are more resilient. The toxic phrase 'taking back control' might increasingly be

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<https://www.theguardian.com/global-development/2020/apr/16/race-against-time-to-prevent-famines-during-corona-virus-crisis>

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<https://www.bloomberg.com/news/articles/2020-04-06/key-food-prices-are-surg-ing-after-virus-upends-supply-chain>

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<https://www.n8agrifood.ac.uk/media/dx-tile/FFV-Policy-Brief-1.pdf>

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<https://www.bloomberg.com/news/articles/2020-04-06/key-food-prices-are-surg-ing-after-virus-upends-supply-chain>

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<https://www.nytimes.com/2020/05/08/opinion/coronavirus-global-food-supply.htm>

reclaimed and applied to food, energy, and transport systems, for example, as a way of future proofing against further shocks as well as boosting local economies. Greater political and economic autonomy and self-sufficiency are desirable. This could enable a re-think about those things for which international trade is a requirement and those which could be provided more locally moving forward to boost local economies and reduce environmental impacts. Greens have long argued that the principle of subsidiarity provides a useful guide to policy and the same might increasingly be true of trade.

It has also become clear that while dynamic markets are a key part of the economy, and are effective at allocating private goods, ensuring access and the affordability of key services implies a key role for government. Adjudicating between competing needs and prioritising social need is not something that can be left to the market. When we look at the chaos across the Atlantic, we can celebrate the fact that we have always defended the public ownership and management of our health service. But if we look across the channel we may ask questions about whether we would have been in a better position to respond rapidly to the economic crisis wrought by Covid-19 if we had kept more of our basic infrastructure and utilities in public hands.

4. What has the pandemic revealed about how we make decisions in the UK, and how well it enables us to respond to complex challenges?

We need a written constitution and the two-party system failed us

The UK has suffered one of the highest rates of deaths in the world per capita from Covid-19. For a country with world-class research scientists, a thriving pharmaceutical industry and the sixth largest economy in the world, this is a truly shameful record. The failure that led to the completely avoidable loss of many thousands of lives was a political failure. Commentators had been raising criticisms of the weakness of our democracy and our political institutions for years, but it took a global pandemic to illustrate the true horror that a failed democracy can bring. Globally, it is no coincidence that the worst death rates from Covid-19 have tended to occur in countries headed by right-wing libertarian leaders such as Donald Trump in the US and Jair Bolsonaro in Brazil who have both ignored the scale of the threat and the need for state-led public health interventions.

But the crisis has also buried for ever the myth of the powerlessness of government. Never have we needed our government more. And we see that all the stories about how governments could not act quickly or could not find the money for vital investments were fairy tales. Most of the businesses in this country, and indeed across the world, would already have gone into insolvency without governments borrowing and creating trillions of dollars to support them and their employees. The relationship between government, economy, and people is a mutually reinforcing one. Whatever the market ideology may say, businesses cannot exist outside a politically agreed legal framework - and certainly not without us, their customers. This opens a huge and exciting arena for new political demands for equally urgent action on the climate emergency and to calls for us to build back better, as we will see later.

The crisis has also raised questions about the UK's dysfunctional political system which has been a cause of unnecessary loss of life during this crisis. The lack of a constitution and the

binary rather than pluralist political culture has much to answer for. When contrasted with the German model, where the ideal is to achieve support from across the political spectrum for a policy that brings in the best ideas from all parties and representatives, the UK system is exposed as woefully inadequate. In Germany, trade unions can be asked to offer advice on socially distanced workplaces, Greens can be consulted about building back better to address the climate emergency, Conservatives can design schemes to support small businesses: everybody can offer their best to a shared and widely supported national policy. This is the ideal that a proportional electoral system could offer, and that first-past-the-post makes impossible. The German system, being strongly decentralised, also confers the benefit of multiple power centres and political leadership at local level. The centralisation of power in the UK led to the failure of the testing regime, protective equipment for hospitals and care homes, and the decimation of local public health departments whose functions the central Public Health England singularly failed to carry out effectively. Combined with the politicisation and intimidation of the civil service – including political representation on the SAGE (Scientific Advisory Group for Emergencies) committee, left the government effectively unchallenged as it first ignored and then mishandled this deadly crisis.

Perhaps the most important lesson is that political leadership really matters. In a time of crisis having a Cabinet of inexperienced ministers, hand-picked by the Prime Minister for their loyalty, subservience and Brexit credentials can result in a poor policy response. Mixed and inconsistent messaging and personal practice by leaders has further undermined the credibility of public health messaging.

The ideology of privatisation and centralisation led to a slow response and avoidable deaths

Thousands of lives were lost unnecessarily in the UK because our response to the Covid-19 was dominated by a damaging ideology that portrays life as a dog-eat-dog game where the fittest - or most aggressive - survive. What we need to overcome it is not competition but solidarity, not bravado but compassion.

The modellers who proposed that the lockdown should be delayed argued that people would not comply, that at the height of the crisis, with its horrifying death-toll, people would ignore government advice and head to the pub. Behavioural economists assumed people would be selfish and greedy like the mythical ‘rational economic man’. The reality was the reverse: people sacrificed themselves to protect their fellow citizens, even those they did not know. People have demonstrated not compliance or submission, but compassion and altruism. We have shown that we are the people we hoped we could be, not the people that narrow-minded modellers took us to be.

It is not a coincidence that these mistakes were made hard on the heels of Brexit. The connections are clear in the government’s decision not to engage in joint procurement programmes with our EU neighbours, although they generously extended an invitation to a member who recently rejected them. That the self-destructive Brexit ideology is flourishing is shown by the adamant refusal to extend the deadline for a deal beyond the end of the year, leading to a damaging diversion of civil service resources and political energy. The idea of taking back control has also marred the response to the pandemic in the UK. From the start,

government has drawn all power back to the centre, to the detriment of almost all aspects of the Covid-19 crisis policy. This first became clear in the collection of data and the failed testing regime. Covid-19 is a notifiable disease, meaning that any cases must be registered immediately with the local authority so that the outbreak can be contained. But for Covid-19, the law was changed so that notification was rather to Public Health England, meaning that local authorities lost control of their own data and the government was able to report this in a manner and at a time of its own choosing. This has left local government unable to effectively contain the virus while the national track-and-trace system was failing.

Unwilling to allow local government to take on its historic responsibility for public health, or to allow universities to use their world-leading scientific facilities to support testing, the government has rather turned to out-sourcing and privatisation. The testing regime focused on first one, and then three, megalabs, for which the army was sent to [requisition](#) equipment from across the country. These privately-run centres have now been expanded to 50, but it is unclear how effective they are. They are [operating](#) under contracts awarded outside the legal procurement rules and handed to companies like Deloitte, Serco and Sodexo. Staff at the centres are not medically trained and those needing a test must administer it themselves. The government has effectively chosen a centralised, privatised parallel system while shunning the NHS and university labs that already had the expertise to carry out these tests and do not trust the private system. The Royal Free is amongst hospitals that [told](#) their staff not to use the privatised testing centre, sending their swabs instead to the Francis Crick Institute laboratories.

This failure to trust either experts or local authorities has led to the largest failure of all: the failure to introduce the test-trace-isolate regime that always was the only safe route forward without a vaccine. Local councils owe their very existence to the need to tackle the public health crises of the 19th century, so the decision to sideline them during this crisis was eccentric to put it mildly. The Health and Social Care Act 2012 split responsibility for primary health (which continued to sit with the NHS) away from responsibility for public health (that was assigned to local authorities, supported by the new body Public Health England, established on 1st April 2013). At the time, the Faculty for Public Health in March 2013 warned that ‘Roles and responsibilities must be clear . . . if the system is going to be safe. Otherwise lives could be at risk if outbreaks of infectious diseases and similar health protection matters are not dealt with efficiently.’ Their warnings are being borne out by the Covid-19 crisis.

Rather than building up the local public health, primary care and environmental health teams who have the experience in contact tracing, the government has chosen to establish a [privatised](#) call-centre, as though contact tracing for a deadly disease was like buying a new car. The government has shunned its network of Outbreak Management Teams whose ‘primary objective in outbreak management is to protect public health by identifying the source and implementing control measures to prevent further spread or recurrence of the infection’ in order to hand private contracts to companies like Serco and G4S who have a record of failure and do not enjoy the public trust that is so vital for these programmes to work.

The mismanagement of the process to develop an app to rapidly share data about contacts between the uninfected and the infected appears to neatly [demonstrate](#) all the elements of the unhealthy ideology that explains our failure in this most deadly of crises. There has been a

widespread welcome for the unlikely cooperation between Google and Apple - responsible for the vast majority of smartphone operating systems - to provide a platform that keeps data on the phone so preventing misuse of data, or fear of such misuse. The British government instead chose a system that was to draw data from the phone to a central storage system and where some of the data partners, including Palantir, and others closely [related](#) to the data scrapers behind the Vote Leave campaign have raised concerns about data safety. A large group of data experts [lobbied](#) the government to choose the Google-Apple route with open source code and no risk of data theft. The government persisted with a route that had little public trust or expert confidence and, when it collapsed in technical failure, had wasted a great deal of time and public money. At time of writing, the UK has not app to support contact tracing.

Part Two: Resetting UK Society after Covid-19

1. What should be the primary aims of a post-Covid economy, and how should progress against those aims be measured?

We should follow other countries in dropping GDP as the central economic target and focus our economy on well-being instead. GDP does not distinguish between economic activity that adds to social and environmental well-being and economic activity that destroys it. This has driven the conflict between our economy and our natural world.

People who worked from home rather than spending two or more hours a day commuting were responsible for the loss of income at petrol stations and for keeping hold of the money they would have spent on a takeaway coffee or a sandwich lunch, preventing it from circulating through the economy and increasing GDP. The money they spent on Zoom registrations and cooking for yourself are likely to have cost much less and so contributed much less to GDP. There is no balancing positive addition to the GDP measure to reflect our ability to spend more time in bed, or enjoy a leisurely breakfast, or to spend more time with your children. The hours we spent marvelling at birdsong, discovering local green spaces, or breathing lungfuls of unpolluted air are irrelevant to GDP. There is nothing added to this flawed measure of 'value' to reflect the fact that you did not have to sit frustrated in your car, pumping out CO₂ emissions.

Through the lens of GDP the additional activity in the health sector during the pandemic was a positive, generating 'economic activity' to balance against the losses suffered by pubs and gyms. All those extra hours worked by doctors, nurses and carers; all those throwaway gowns and masks being used caring for the sick and dying helped reduced the feared decline in output. Without this Covid-related activity, GDP would look far worse than it does. There is no balancing deduction from GDP for the pain and suffering that gave rise to this demand for more health-related economic activity. GDP has no way of counting bereavement, death, grief, isolation or depression. It is a measure of our economic life that resolutely ignores what our economy should really be for: increasing the sum of human happiness and natural wealth. Greens have long argued, based on a wealth of evidence, that well-being does not depend on relentless economic growth and that quality matters more than quantity. Beyond a certain point well-being is not increased by increased wealth and consumption.

People have balked at the idea of prioritising a rapid return to business as usual over the health of citizens. This suggests the possibility of a broader conversation about well-being and prosperity as more useful and appropriate indicators of how we are doing as a society than narrow GDP metrics that measure all economic flows whether they are good or bad for society and the environment.¹⁰ As supply chains for certain essential goods were stressed during the peak of the pandemic, some of the major shops ran campaigns exhorting people in the interest of ensuring that there was enough for everyone to ‘only buy what you need.’ This, of course, is advice that from a global perspective, given how humanity is surpassing several planetary ecological boundaries, we should strive to follow regardless. Not only was there advice to avoid buying non-essential goods, but also to avoid another typically polluting activity, ‘unnecessary travel’.

We have also been forced to revisit how we value work and what counts as work. People out of formal employment or that certainly find themselves home-schooling are working, undertaking domestic work and childcare duties which are critical to the functioning of the economy as well as our collective welfare, but which often are counted in the usual metrics of productivity. So, who were really the key workers in this crisis? Levels of support, expressed by weekly (and in some parts of the world daily) applause, music and outpourings of appreciation for frontline workers have shown which sectors and workers are really central to our welfare. Likewise, requests for state bailouts from billionaires such as Richard Branson for his Virgin airline, have courted disdain and mockery, heightened by his tax avoidance strategies which have deprived the Treasury of essential funds.

2. What shape should government stimulus packages have if they are to deliver an economy that is greener and fairer, and what should they include?

A [poll](#) conducted by YouGov in mid-April found that only 9% of Britons want life to return to ‘normal’ once the lockdown is over.¹¹ They had seen noticeable environmental improvements, 51% noticing cleaner air and 27% more wildlife. And 40% said they had experienced a stronger sense of community. They appreciated these non-tangible aspects of life that are threatened rather than enhanced by an economy focused on growth.

The pandemic also teaches the importance of allowing nature to have a space to breathe and to regenerate: a notable source of hope during was lockdown was an appreciation of the new normal of cleaner air, the return of wildlife, clearer waterways etc. The Covid-19 crisis has shown that squeezing nature into smaller space leads to climate change and the transfer of disease.¹² In times of quarantine, we have also come to appreciate the value of good quality public space in every neighbourhood. This is perhaps especially true of green space in urban areas, but the crisis has also revealed how uneven is access to it. The crisis also highlighted how

¹⁰ <https://www.cusp.ac.uk/themes/aetw/wp12/>

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<https://news.sky.com/story/coronavirus-only-9-of-britons-want-life-to-return-to-normal-once-lockdown-is-over-11974459>

¹²

https://www.propublica.org/article/climate-infectious-diseases?utm_source=pardot&utm_medium=email&utm_campaign=majorinvestigations&utm_content=river

much space has been captured by the privilege afforded the private car and how we now have the opportunity to re-set by reclaiming space for cycling, walking and public transport.

Across the world and across the political spectrum, the slogan Build Back Better is being used to characterise the principle that should guide the economic intervention that will follow the period of economic contraction caused by the mandatory shutting down of large parts of our economies. So, what is our vision for a better economy?

First on the list is the most radical form of Green New Deal: a transformation of our productive activity so that it is guided by the need to respond to the climate and ecological emergencies. Proposals for a Green New Deal were made in the wake of the financial crisis of 2007/8, echoing the investment in public infrastructure made by Roosevelt during the Green Depression. They are even more relevant now, as we face economic decline on the scale of the 1930s in parallel with a climate emergency.

Proposals for a Green New Deal take many forms, including the European Deal of the EU Commission, but they tend to focus on several key measures:

- Electrification: a programme for replacing fossil fuels with electricity for our transport network (rail and road) and for the heating of homes and business premises.
- Retrofit: upgrade our housing and commercial property to ensure it is energy efficient.
- Active travel: rapid expansion of public transport infrastructure and service, together with prioritisation of cycling and walking for shorter journeys.

There is a growing body of research that shows that ambitious green measures that strengthen the economy. A major study by Nobel prize winner Joseph Stiglitz and leading British climate economist Lord Stern assessed the economic and climate impact of taking a green route out of the pandemic. The assessment, published in the Oxford Review of Economic Policy, surveyed officials in 53 countries on their recovery measures and drew on lessons from the 2008 financial crisis.¹³ It found green projects - ones that reduce emissions - also create more jobs, deliver higher short-term returns for the money spent and lead to increased long-term savings compared to traditional fiscal stimulus. For example, building renewables projects or rolling out home insulation refits creates twice as many jobs in the short term per pound spent as fossil fuel investments, and do not run the risk of jobs being moved offshore. Investing in green schemes also drive down costs of switching to clean technology in the long run. The study warns, however, that airline bailouts without conditions attached to make companies tackle their pollution had the poorest impact in both economic terms and in tackling climate change.

3. What training is needed for people to be able to take up the jobs created by such investment, and how might national government put in place measures to distribute available work more equitably, and address intergenerational inequity?

There is significant scope to offset the unemployment produced by the economic devastation of Covid-19 by supporting job-sharing (as discussed above) but also by urgently developing an

¹³ <https://theecologist.org/2020/may/05/experts-urge-pandemic-and-climate-recovery>

active national programme of reskilling and training to prepare those who are losing their jobs to move into the sectors that need to be boosted to ensure the recovery is a green one. Announcements about support for home insulation through [Green homes grants](#), though falling short of what is required, should provide an impetus to training people for home insulation and retrofit and the installation of alternatives to gas for heating and cooking. Combined, this will help to address a major source of emissions in the UK. Training for insulation of solar panels and for workers in the wind, wave and other renewable energy sectors should also be a top priority. In all these sectors we need to see standards set by government for the high-quality technologies that will support our transition to a net-zero carbon future, and training matched to these standards.

Re-training workers involved in fossil fuel industries to work in renewable energy and for car workers to meet growing demand for electric cars and buses should also be a priority.

Given what was said about the need for strengthening local food systems, support for farming and forestry which is another key element in responding to the climate emergency, is key. Training in agro-ecological farming which aims to improve the capacity of the soil to act as a carbon sink and sustainable forestry combined with policy to support these sectors will help the UK achieve its obligations under the Paris agreement.

In all forms of training we would advise that the government should avoid performative action or any quick fixes. This is the danger with the Green homes grants referred to above which provides a short window of support rather than a longer-term programme of support which gives more certainty about the value of setting up businesses and building capacity. The same has been true of the unpredictable support for renewable energy in the UK, particularly solar. Training is expensive and if not of adequate quality can be counter-productive, as well saw in the rapid roll-out of poor quality insulation which has now led to problems with damp. **For younger workers we would advocate training based around one-to-one relationships with older, skilled workers and a genuine apprenticeship system on the German model, rather than the current makeshift schemes that can appear to be little more than cheap labour. We must not make the mistakes of the 1980s where programmes badged as training were a ruse to divert workers off the unemployment register – and seen as such.**

4. What contribution might the following policy proposals make to ending wealth, income and pay inequality?

It is no coincidence that the death rates from Covid-19 have been worse in those countries, such as the US and UK, that have most enthusiastically embraced neoliberalism and led assaults on their public services, the frailties of which were cruelly exposed by the crisis, leaving their most vulnerable citizens at great risk. These were not unfortunate side-effects, but rather result from policy design: insufficient funding in the case of the UK's NHS and the largely private health care system in the US which is beyond the reach of many poorer families.

The crisis then has revealed vulnerabilities as well as deep structural inequalities in our society: who has secure work and who does not; who has access to essential services and who doesn't; who cares for children; who is expected to care for the sick etc. This has highlighted the value of

the care economy. Within families, communities, the rise of mutual aid groups etc as well as in the formal economy especially with regard to health workers and added appreciation for the work teachers do. This has made visible the ways in which the heavily gendered care economy provides massive subsidies to the formal economy.

Giving everyone a basic income and access to universal services

One of the biggest changes that has happened in the labour-market is the emergency shift to home working to achieve social distancing. We consider that this shift is not only overdue but irreversible and would argue that the benefits it brings - in terms of reduced requirement for commuting and improve quality of life - should be retained once the crisis is past.

The basic-income scheme has gained support from a range of political quarters in recent years. Its ambition is to enable a permanent rather than temporary exit from poverty and social exclusion. It implies an overhaul of the current benefits system whereby every woman, man and child would receive a weekly payment as of right, non-means-tested and sufficient to cover basic needs. It is aimed at encouraging flexible working patterns (across forms of paid, unpaid, voluntary and domestic work), providing financial independence and reducing poverty and unemployment.

The experience of lockdown - and seeing what suddenly became possible in a crisis - made more people raise the possibility of a basic income to replace some of the labyrinth of confusing and often unfair state benefits that make up our existing welfare systems. As many as 46% of people across Europe support a universal income, according to [an opinion poll](#) conducted during the lockdown period, rising to nearly two thirds in Germany. Also, if the objective is to guarantee basic livelihood security, it's important to note that a range of approaches are available which are not necessarily exclusive, from basic incomes, to [minimum income guarantees](#), and the provision of [universal basic services](#).

Working fewer hours and more flexibly

People's work during the Covid crisis has faced a massive upheaval. Those who were able to carry on working from home did so, while many employers created ways in which their business might continue at some level to provide employment. Of course, many fell outside the support system and some will have used their own savings or personal support systems to keep going. There is now a widespread consensus by employers that working from home is not to be feared. In fact, people working from home are often more productive, although they may miss the bustle and collaborative nature of an office environment. Part-time home working may become the norm to ensure better wellbeing.

There is also a chance that the Covid experience may help to permanently shorten the working week. As it turns out, [four-day weeks](#) have huge benefits for employers as well as employees. At the time of the 2008 financial crisis, the US state of Utah found its trial of a four-day week saved money, boosted staff morale, cut carbon emissions and led to around a third of the public saying services improved. Even the UK's much maligned three-day emergency week in 1973-4 resulted in huge energy savings, saw minimal falls in productivity, and confirmed other cases which

suggest that the benefits of working fewer hours can easily outweigh the challenges of making the transition.

The way that a reduced working week can improve staff morale and wellbeing, was also discovered by the Dutch in the early 1990s, when the public sector began offering [a four-day week](#) to staff during a time of recession to save money. It was so successful, that the practice has since spread and become common employment practice, with the option now frequently offered to workers in all sectors of the economy. **As a result, job-sharing has become the norm in the health and education sectors. It is also common to have part-time surgeons, engineers and bankers, which makes a work-life balance a practical reality.**

There seems to be a trend towards flexible working, breaking the traditional link between external work and income, which has been exacerbated for many by their experience during this pandemic. New Zealand recently announced that it may re-organise toward a four-day working week. [One study](#) showed jobs that advertised flexible working attracted 30 percent more applicants, revealing the demand for flexibility. It will be important, however, to realise that working from home or part time is not an option for many on lower wages or living in smaller, shared spaces.

5. Should there be conditions (or exclusions) applied to government support for particular industries, and if so, what should they be?

The mothballing of large parts of our economy offers us an opportunity to make a major intervention to decide which will survive, restructured, into our sustainable future, and which will be allowed to wither. This is a process we refer to as ‘economic triage’. In order to receive public support companies should have to demonstrate that they have a future in the zero-carbon world beyond 2030 and provide transition plans that indicate how they will reduce their use of energy and materials over time. Businesses in transition to a zero-carbon future would receive funding to help them undertake low-energy restructuring.

The most detailed recent assessment of the economic transition we need to undergo to achieve net zero is the Absolute Zero report from UK FIRES, a collaboration between the universities of Cambridge, Oxford, Nottingham, Bath and Imperial College London.¹⁴ They identify aviation and shipping as the two greatest challenges, and these are two sectors that we can anticipate shrinking to a fraction of their former size as we limit our international travel and focus more on local supply chains. They also highlight the need for agriculture, and the cement and steel industries to undergo a rapid transition. Alongside a shift towards a plant-based diet and a radical reduction in transport, the FIRES report proposes a rapid transition towards a society fuelled entirely by electricity, and rapid transition of other sectors to rapidly improve their energy performance.

In the energy sector, we already see that renewables are proving themselves more resilient than fossil fuels.

¹⁴ <https://ukfires.org/absolute-zero/>

The International Energy Agency [report](#) that:

‘Renewable energy has so far been the energy source most resilient to Covid-19 lockdown measures. Renewable electricity has been largely unaffected while demand has fallen for other uses of renewable energy. In Q1 2020, global use of renewable energy in all sectors increased by about 1.5% relative to Q1 2019. Renewable electricity generation increased by almost 3%, mainly because of new wind and solar PV projects completed over the past year and because renewables are generally dispatched before other sources of electricity. Along with depressed electricity demand, power grids have managed heightened shares of wind and solar PV.’

Governments could support this shift to renewables by immediately ending subsidies to fossil fuels (which globally stand at USD\$100 million a minute according to the [IMF](#)) and introducing a carbon tax, while offering higher long-term subsidies to renewables where needed. In terms of transport, there is a risk that, as energy prices fall and social distancing becomes the new normal, we will see a fall in petrol prices and a rise in private car use. It is essential that governments introduce a sustainability surcharge on petrol prices to keep them at current levels, together with restoring the fuel duty escalator. This will generate considerable revenue that can be used to invest in active travel options in urban areas and more frequent public transport services, redesigned to minimise risk of spreading infection, in our rural areas.

In normal times it would be difficult to imagine the rapid restructuring of our economy this report implies, but the shutdown of large parts of the economy as a result of the Coronavirus means that every sector that is not operating must rethink its approach to production. As well as social distancing measures this could include redesigning production processes to achieve significant and accelerating energy and resource reductions.

We would agree with the [proposal](#) from the Green Group in the European Parliament that: ‘All big companies, including banks, insurances and financial actors, receiving public financial support should be required to disclose publicly how they intend to align their economic activities to the objective of limiting global warming under 1.5°C. This must take the form of science-based and company-wide emission reduction targets and a clear and binding plan to become climate-neutral by 2050 at the latest, prioritising direct emissions reduction and energy efficiency.’¹⁵

In terms of conditionality, and using a system of ‘economic triage’ which businesses have a future in the zero-carbon world beyond 2030 we allocate government support on this basis:

- Businesses in transition to a zero-carbon future would receive funding to help them produce conversion plans undertake low-energy restructuring.
- A GND investment plan as a job and economic activity replacement programme, focusing especially on home retrofit but also including investment in the electrification transition and the construction of green infrastructure.
- The GND would include the involvement of trade unions in the development of conversion plans and reskilling programmes for employees facing redundancy.

¹⁵ For more on science-based targets see Newell, P. (2020) ‘[The business of rapid transition](#)’ *WIREs Climate Change*

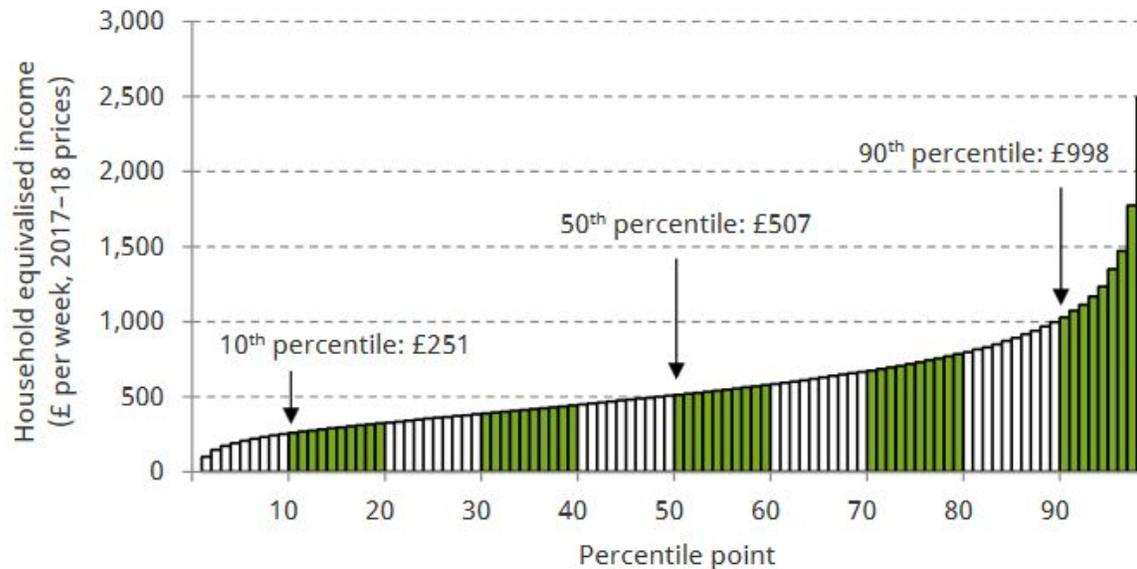
Proposals for reallocating value include the idea that (i) Companies should not be allowed to pay out dividends, bonuses or to buy back shares (ii) Companies registered in tax havens should be not be eligible for public money (iii) Companies in receipt of public money should ensure that, over the next two years, they achieve a maximum 10:1 pay differential

6. What mix of investment and changes to taxation would be needed to deliver a government stimulus package that resets the economy so that it is green and fair?

There is no question that, in conventional economic terms, we will be considerably poorer as a result of the Coronavirus lockdown. The post-Covid recession not only means higher unemployment and a greater call on the welfare budget, but simultaneously reduced yields from most types of tax revenue. Discussions have already begun about how we are going to pay for this, a conversation that has continued within the ignorant and damaging frame of national finances as working like household finances. The siren song that our society must endure another round of destructive austerity must be countered by the suggestion that, by sharing existing wealth fairly, we can weather the storm in solidarity and emerge a fairer and happier society.

ONS [data](#) show that the UK suffers from gross and disfiguring inequality, with wealth being distributed unequally both regionally and by income group. Average (mean) wealth for all wealth deciles increased in real terms between April 2014 to March 2016 and April 2016 to March 2018, with the higher deciles seeing the biggest increases; the average for the poorest decile increased 3%, and the richest wealth decile increased by 11%. We are also one of the most unequal countries in Europe in terms of regional distribution of wealth. London, the South East and the South West of England have the highest median household wealth, and also saw the largest growth between April 2014 to March 2016 and April 2016 to March 2018

Figure 2.4. Weekly net equivalised household income at each percentile point in 2017–18



Note: Incomes have been measured net of taxes and benefits but before housing costs have been deducted. Cash figures are equivalents for a childless couple.

Source: Authors' calculations using the Family Resources Survey, 2017–18.

When we look at income we also see a pattern of wide and growing inequality, and again we see vast inequality with around two-thirds of the population (64%) having an income less than the average. The IFS again provides detailed [evidence](#) of the gross inequalities in our society in terms of incomes, based on post-tax-and-benefit incomes, net individuals' pre-tax annual salaries:

- Average household income at the 99th percentile (top 1%) is 2.5 times higher than that at the 90th percentile
- Additionally, there is a high degree of inequality within the top 1% of the distribution
- There is extremely high dispersion in incomes within the top 1%: the public debate often associates the top 1% with the so-called 'super-rich', when in fact they only make up a small fraction of the top 1%
- Those at the very top of the income distribution are disproportionately aged 45–54, based in London and work in financial services, insurance or real estate¹⁶

If we are looking for those who can afford to take the hit that moving towards a 'two-thirds better economy' would entail, then this is where we should look. In conclusion, it is clear that there are vast reserves of wealth in our society that could be taxed to bring money into the Exchequer for investment in the Green New Deal. We would propose that the post-Covid

¹⁶ Living standards and income inequality, by [Pascale Bourquin](#), [Jonathan Cribb](#), [Tom Waters](#) and [Xiaowei Xu](#)

recovery should be funded by a wealth tax combined with a much more progressive tax system could achieve two objectives: provide money for sustainable investment and reduce inequality.

A range of environmental taxes could also be used both to raise revenue and to put strategic pressure on economic actors to shift towards net zero carbon. First among these would be a carbon tax applied on all fossil fuel imports and domestic extraction, based on greenhouse gas emissions produced when fuel is burnt and on imported energy, based on its embedded emissions. Ecological taxation, meanwhile, follows the logic of taxing more what you want less of (pollution) and taxing less what you want more of (labour). In many cases this would imply higher levels of corporate taxation, but also preferential tax rates for local businesses and social enterprises.

As well as generating new streams of tax revenue, we also need to close tax havens, tax loops and adopting common global measures for country-by-country reporting and collecting tax to avoid evasion and avoidance. According to the Tax Justice Network, tax havens are estimated to shelter \$12 or \$13 trillion in private deposits, depriving governments of \$250 billion a year in revenues. Measures must also be included to address transfer pricing that cause developing countries to lose \$160 ?? FIGURE in tax revenues each year.¹⁷

7. What changes are needed to the structure of public and private finance to support a fair and green recovery?

We need finance for the common good.¹⁸ This might imply a mix of Green Quantitative Easing, environmental taxation, de-financialisation and public banking. The regulation of finance is important in terms of ensuring that financing of new infrastructures and policies is consistent with increasingly ambitious environmental targets. There may be a role here for environmental audit committees, as well as greater screening of export credit agencies and the use of state money to support private investment.

We have complete national control of our currency meaning that we are able to create currency as we need it through quantitative easing. In normal times, creation of currency on this scale could raise concerns about the value of the pound on international markets. At a time of crisis, a government acting firmly to defend its economy is indicating strength rather than weakness. Concerns might also be raised about the risk of increasing inflation, but the reality of the situation facing us is that decades of deflation are a much more threatening risk.

The UK would also benefit greatly from a national development bank modelled on Germany's KfW. KfW has been instrumental to financing Germany's energy transition and is empowered to invest especially in economically depressed areas. As a public bank, interest payments can be reinvested for public benefit rather than extracted by wealthy shareholders. KfW has supplied funds totalling €75.5 billion in 2018 alone, of which 40% was spent on measures aimed at protecting the climate and the environment. In the British context, such a bank could help to

¹⁷ Jenkins, R. and Newell, P. (2013) 'CSR, Tax and Development', *Third World Quarterly* 33, 3: 378–96.

¹⁸ Peter Newell (2019) *Global Green Politics* Cambridge: CUP.

replace the liquidity gap created by the withdrawal of ‘High Street banks’ from lending to local small businesses.

But it will need to be supported by locally based banks created for this purpose. To achieve this, we should establish as a matter of urgency a system of regional, cooperative banks that can offer private lending to local businesses and a national investment bank to channel money created to fund the Green New Deal. Regional cooperative banks will operate as a conduit for nationally produced finance to ensure that it reaches businesses in a responsible way and according to the national agreed criteria.

8. What kind of businesses we need to deliver a fair and green economy, and how should they be owned and run?

Humans are cooperative. Let’s harness that to make resilient business models too

Our history is full of examples where communities have come together, organised, and developed systems and strategies for mutual care and resilience. Without this community activism we would have no universal state education, no NHS, and no collective social security systems (and these stories of ordinary people effecting extraordinary change should be central to our school history curriculum, because they reveal how much we can achieve when we work together). As well as building a fairer society, cooperative and mutual models can make excellent business sense.

The residents of Rochdale were at the forefront of pioneering several improvements in the lives of working people. These included the development of the ‘Rochdale Principles’, published in 1844 by the Rochdale Society of Equitable Pioneers, which became the basis of the co-operative movement, promoting equality, fairness and mutualism. Co-operatives not only ran food and clothing stores, they also quickly established an affordable funeral service to members, which continues to flourish today.

As the success and breadth of the Coop’s activities demonstrates, as they supply members from cradle to grave, there are few business sectors that could not at least consider cooperative or mutualist models as a core principle of organising. They can be worker or buyer-owned and develop collaborative principles that could adapt to almost all sectors of the economy. Cooperative food, telecoms and energy buying schemes have proved hugely popular, as demonstrated by the launch of Cooperative Energy in 2012, which puts ‘principles before profit’ for its members, as well as working with them to do their bit to combat climate change. Food cooperatives can also have the ‘halo effect’ of benefiting farmers and growers, because they provide an opportunity for producers to share the risk and rewards directly with consumers. This could prove invaluable given the huge challenges facing the farming sector, not just from Covid-19, but also Brexit and climate change.

Form follows function, and even if a cooperative model was deemed to be an unsuitable working structure, there are other ways to develop more equitable and resilient business models, such as worker representation on boards, work councils and other forms of codetermination. This could

help to stop the British business ‘disease’ of short-termism, the related issue of lack of investment in skills and infrastructure, and the often needlessly hostile relations between ‘management’ and ‘workers’ (because they are working collaboratively on strategy).

Hand in glove with cooperative and mutualist models are training and apprenticeships (see our comments above). If the ethos of the enterprise is investment for the collective good, then skilling the workforce is central to that strategy. Priorities might be the following:

- Support/tax incentive for businesses investing in training/apprenticeships
- Practical training/support for those wishing to establish a cooperative, or turn an existing business into a cooperative model
- Public service mutuals
- Social investment tax relief
- Worker representation/voice

9. *What should the priorities of national, devolved, local and city government be for ending inequalities and decarbonisation in the UK?*

Localism works. Let’s trust communities to have a bigger say in their future.

The idea that all politicians are a group of disconnected Metropolitan elites has played a large part in disaffection with the current political system, local and national. Just as the old punk t-shirt used to say – ‘whoever I vote for, the government always wins’. A powerful way to counteract this would be not only to widen the gene pool from which the political class is selected; it would also be to re-localise – and to properly commit to doing so, rather than empty sound bites about thriving neighbourhoods and respect for the town hall.

This is not a defence of parochialism, but a celebration of the possibility that resides in our own communities. The need to (metaphorically) tend our own garden is not about exclusion, it is about developing a plot. Political engagement is at an all-time low in historical terms, and political parties need a long dark night of the soul to understand why this might be. Indeed, for the old party system things might already be too broken to fix. But a response that simply segments ‘the political audience’ into ever-smaller and more meaningless focus-grouped slices to compete over the tiny few percentage points that determine election outcomes is not one that has the ambition to properly engage or create the kind of social change that we need in order to create a just, sustainable future.

We can be bold, locally. In 1881 an Electric Lighting Bill was passed, which allowed local councils to provide electricity to their communities without the need for a Parliamentary Act. The idea of this is attractive in its own right, but its deeper significance was the boost it provided to local organising. Together with other pieces of legislation, such as favouring smaller employers over larger ones, reforming the miserable bankruptcy laws, and creating the county franchise, began to frame an ‘unauthorised programme’ of far-reaching reform, sometimes known as municipal socialism. Propounded by Joseph Chamberlain in Birmingham, and others, the genius of their civic positioning was to push the limits of social reform around improving

housing, education, fair rents, municipal powers to buy land, the development of smallholdings, the idea that land rent should be returned to the community. Because this was to be planned and organized at local level, it was much harder for reactionary forces to undermine it.

Back to the community does not need to be a backward-looking, insular activity. Our locales have changed beyond all recognition since Chamberlain's day. But taking the best elements of his 'unauthorised programme' could provide a fascinating blueprint for local re-engagement. If part of the present alienation with politics is the gaping distance between rulers and ruled, then the only way to overcome the gulf is to bridge it or destroy it. Contemporary takes on 'municipal socialism' are already happening – with the proliferation of localized energy companies, food growing cooperatives and other initiatives. Communities are often ahead of political parties in creating social change; co-operation and mutualism thrive at street level because it must.

10. Looking forward, what changes to democracy and decision making in the UK might deliver better social and environmental outcomes?

We have outlined our critique of existing political structures and how they undermined our response to the health pandemic in Part I, section 4.

In summary, we have a government whose ideology is that private businesses are more effective than publicly accountable ones and that central control is the ideal form of management. Meanwhile, British people are learning that they are safer within their local communities. The failure of trust in the government approach is demonstrated by [surveys](#) showing that British citizens are the most fearful and the most unwilling to leave their homes after lockdown.

We believe our critique offers powerful lessons that our society beyond Corona needs to have strengthened political accountability, devolution of powers to a more local level, local political authorities funded to undertake a wider range of tasks, and a strengthened freedom of information regime. In addition, it is clear that our two-party system contributed to the failure to get a grip of the crisis in the vital weeks of February and March. Initially, the Prime Minister was distracted by personal matters and celebrating Brexit and later he fell ill, as did his chief advisor Dominic Cummings and the Health Secretary. In such a circumstance, one would expect the Opposition to pressurise for stronger and more urgent action, but Labour was in the middle of its leadership election. This left a power vacuum and a period of policy drift that caused significant loss of life. It became clear that our two-party system, held in place by the first-past-the-post electoral system left us vulnerable. A pluralist democracy with multiple power centres – backed up by a proportional electoral system and genuine party competition, would have avoided this vulnerability.

11. What should be the key global priorities of the UK and what measures should the UK take to support a globally co-ordinated reset?

Like most aspects of the Corona crisis, the global nature of this pandemic reminds us of the inevitable interconnections that arise from sharing a single, small but beautiful planet. Although signs of international cooperation are sparse and countries still seem to be engaged in emergency

crisis management, we must acknowledge the more vulnerable countries of the majority world in our policy response.

As we argue above, food security has to become a key policy aim for countries in the global North such as the UK, but it is the poorer countries that are most likely to suffer famine. A lesson we should have learned from the food crisis in 2007-8 that came on the back of the financial crisis was the need to ban global food speculation in major staple food crops. To avoid such speculation, minimum global prices should be agreed for the world's most important staple crops: rice, wheat, maize, millet and sorghum. Futures contracts on all food products should be outlawed by regulated exchanges and governments should work with brokers to prohibit food speculation during the crisis. Ian Goldin, Professor of globalisation and development at Oxford University, has summarized what those risks mean for the countries of the majority world in the wake of the Coronavirus:

'While rich countries can issue more debt in their own currencies, developing countries require foreign exchange to pay for much-needed imports, from lightbulbs to syringes. The [cost of foreign debt repayments](#) and imports have soared as the relative value of currencies in developing countries have declined by around 25%. Meanwhile, government revenues have plummeted due to a collapse in tax, tourism and migrant remittances as a result of the pandemic.'

Far from levelling up, the Corona crisis will hit the poorest hardest.

Professor Goldin calls for a 'global Marshall plan that would write off the [\\$44bn in debt](#) due by African countries in 2020 (an amount that is tiny compared to the [\\$8tn](#) that US and European governments have committed to keeping their businesses alive), and give at least \$2.5tn in aid to poor countries, with a single condition: that it is used to alleviate the impact of the pandemic and to write off significant amounts of debt.'

Many countries are likely to look towards the IMF to ensure they can continue to remain solvent after the pandemic, but political paralysis puts their futures at risk. The Managing Director of the IMF, Kristalina Georgieva, has signalled that the bank stands ready to support countries that do not have the defence of a reserve currency. Towards the end of April, she suggested a possible allocation of Special Drawing Rights (SDRs), the IMF's official unit of exchange – the IMF equivalent of direct money creation of QE. The US has already opposed such a move, indicating the need for an urgent a world-wide negotiation about how the countries of the world can find a way to cooperate to avoid a shared disaster.

But a debt jubilee for the world's poorest countries does not go far enough. While the US, UK, China and Japan have the power to issue their own currency to fund a stimulus programme, the EU countries are facing conflict over mutually supported Corona bonds, leaving their poorer members the only alternative of further damaging austerity. Meanwhile, countries outside the charmed circle of the reserve currencies will move into a downward cycle of austerity-debt-default – exactly the same sort of cycle that led to the Great Depression of the 1930s.

The route away from this gloomy scenario is to achieve - in the midst of this crisis - what was achieved in the middle of World War II: an international conference to achieve a global

agreement on what an international financial architecture should look like. The agreement reached in 1944 at Bretton Woods – that established the International Monetary Fund and the World Bank – achieved considerable financial stability for nearly 30 years, until President Nixon cut the link between the dollar and gold in 1971. August 2021 will mark 50 years on from that fateful day and is a timely opportunity to remake the global financial system in a way that has been overdue since the financial crisis of 2007/8.

12. *What opportunities are presented by the UK co-hosting COP26 in 2021 and/or the G7 presidency and how should these be used?*

The fact that the UK is hosting the COP26 in Glasgow next year presents a huge opportunity to showcase global leadership. By adopting many of the measures we have suggested here, the UK can demonstrate what a green and just recovery looks like. With an ambitious programme of re-training fossil fuel workers to play a key part in the green recovery, new targets for improving the efficiency of homes and agreeing the accelerated phase out of petrol and diesel cars in the drive to electric vehicles, across all sectors of the economy a re-set is possible.

The UK could join other countries around the world in agreeing to leave remaining reserves of fossil fuels in the ground as part of a [Fossil Fuel Non-Proliferation Treaty](#). The UK is a member of the Powering Past Coal Alliance, but could join countries such as New Zealand, France, Costa Rica and Belize in banning new oil exploration. There is currently a huge [gap](#) between planned exploitation of fossil fuels and what is compatible with a 1.5 degree target. Supply-side policies that restrict future production need to be on the table at Glasgow.

The UK can also agree to end funding for fossil fuels through aid money- bilateral and multilateral (through the World Bank etc) and the use of export credits. Using official UK Foreign Office data, the NGO Platform found out that the department's Prosperity Fund financed sixteen strategic projects focused on expanding oil and gas industries in Brazil, China, India, Mexico, Philippines, and Myanmar.¹⁹ Two projects focused on creating a better 'business environment' in China by promoting the UK's approach to shale gas regulations.²⁰ UK Export Finance (UKEF), a little-known UK government agency that underwrites loans and insurance to help British firms secure business abroad, was found to be using 97% of its energy budget on fossil fuel projects abroad from 2010-17. Indeed, the group's own report published in June 2019 found UKEF had spent £2.6bn in the last five years supporting global energy exports. Of this, £2.5bn went on fossil fuel projects, with the vast majority in low and middle-income countries.²¹ Meanwhile, as part of UK government international development, the Private Infrastructure

¹⁹ Global Witness (2020) *In aid of who? The obscure investment fund using UK aid money to finance climate change around the world* London: Global Witness.

²⁰ Markova, A. (2018) *A false promise of prosperity: An analysis of UK Prosperity Fund support to the oil and gas industry* London: Platform.

²¹ Baynes, C. (2019) 'Utter hypocrisy': Government refuses to stop spending billions on fossil fuel projects across world' *The Independent* October 2nd
<https://www.independent.co.uk/environment/climate-change-fossil-fuels-uk-funding-environment-export-finance-a9129731.html>

Development Group (PIDG), has spent \$750 million (half of its energy budget) on fossil fuels, despite calls from international development organisations urging the UK to stop funding fossil fuels abroad. Some of the projects that PIDG has supported include heavy fuel oil power plants in Senegal and Mali. Research has shown that between 2010 and 2017 the UK spent \$4.6 billion on fossil fuels overseas, across all departments.²² Indeed, the UK government could face a legal battle after offering more than \$1bn in financial support to help build a gas project in Mozambique despite its commitment to tackling the climate crisis.²³

Dealing with these inconsistencies and exercising bold leadership would help to raise the overall level of ambition at the COP summit. Encouraging other G7 governments to do the same, would help pressure the US, China, India and other players to go further and clearly signal the direction of change.

²² Global Witness (2020) *In aid of who? The obscure investment fund using UK aid money to finance climate change around the world* London: Global Witness.

²³

<https://www.theguardian.com/business/2020/jul/20/uk-could-face-lawsuit-over-1bn-aid-to-mozambique-gas-project>