MAY 2022

FOREWORD

All Economic Policy Is Climate Policy:
Tools for a Post-Neoliberal Green Transition

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Shortly before the 2020 election, the Roosevelt Institute released *A Green Recovery: The Case for Climate-Forward Stimulus Policies in America's COVID-19 Recession Response*, which declared the idea of climate-neutral stimulus a myth. The authors argued that all stimulus policies would likely affect emissions levels and therefore had to be recognized as climate policy. In the last year-and-a-half, as policymakers in Washington, DC, have debated economic and climate legislation with minimal results, we have seen this argument affirmed again and again.

All economic policy is climate policy.

The climate crisis is critical context for all of the Roosevelt Institute's work across our five program areas. Whether considering outsized corporate power, industrial policy, labor rights, civil rights, or macroeconomic policies, the climate crisis dictates both what is necessary and what is possible. Furthermore, it is increasingly clear that the obstacles to achieving a truly equitable economy—for example, excessive corporate power and deference to the market—are also key barriers to effectively addressing the climate crisis. In a series of briefs from across our program areas, the Roosevelt Institute investigates how the climate crisis intersects with many dimensions of our economy. These briefs explore a range of topics, from how reliance on fossil fuels destabilizes entire industries and the macroeconomy to how best to structure climate policies to facilitate a just and equitable transition.

For progressive activists across the country and policymakers in Washington, DC, the pervasive, existential nature of the climate crisis is not news. Nor is it novel to argue, as the briefs in this series do, that a robust response to the climate crisis should present immense opportunities to grow a more equitable economy. As Roosevelt's Director of Industrial Policy and Trade Todd N. Tucker shows, even the 19 supply chain reports recently issued by seven federal agencies demonstrate that there is no corner of our economy that will remain untouched by the climate crisis and, conversely, no part of our economy that should not be harnessed to help mitigate the crisis. Yet, despite this widespread agreement about the importance of action on the climate crisis and the opportunities such action will create, lawmakers have shown a notable lack of urgency in moving a progressive climate agenda forward.

In launching these issue briefs, Roosevelt is not offering a new diagnosis of the problems, nor a full prescription for a path forward. Instead, together, these briefs demonstrate that all economic policy is climate policy, and that the neoliberal, market-driven economic policies of the last half-century are failed climate policies. Neoliberal economic policies have failed to control carbon emissions and have allowed the economy to continue to rely too heavily on inherently volatile, nonrenewable energy sources. Market incentives to transition to clean energy sources have excluded entire populations, exacerbating racial inequities and limiting these policies' reach. For example, as Roosevelt's Deputy Director of Climate Policy Lew Daly shows, renters cannot take advantage of residential clean energy tax credits, yet the owners of rental buildings have little incentive to do so. Meanwhile, deference to shareholders' short-term interests has served as an excuse for companies to resist investing in clean energy technologies that would serve the broader public, as a brief from Director of Corporate Power Niko Lusiani explores.

Neoliberal economic policies are not only failed climate policies but are also rapidly becoming failed economic policies on their own terms. Cascading climate disasters and unstable energy sources—as explored in a brief from Deputy Director of Macroeconomic Analysis Lauren Melodia and Climate and Economic Transformation Program Manager Kristina Karlsson—now pose a persistent and regular threat to the stable markets neoliberals prioritize.

Moving forward thus requires not only ending our dependence on fossil fuels but moving beyond neoliberalism. Continuing to rely on tools such as tax incentives will not address the climate crisis at the speed or scale we need, nor will allowing corporations to continue prioritizing shareholder returns over all else lead to necessary investments in green technologies.

New economic policies that seek to address the climate crisis must move away from a neoliberal stance and actively work to minimize corporate power while building public institutions that can help execute a rapid transition away from fossil fuels. These policies must include direct investment in clean energy industries and new regulations that restrict corporate power and shift pricing to reflect the true costs of fossil fuels—including damage from extreme weather events, impacts on public health, and disruptions to agriculture and ecosystems. Further, they must build up the power of workers and specifically labor unions, to create more stable industries.

The good news: We have the policy tools for this work readily available, and implementing policies that restrict corporate power, build worker power, and expand the public's role in driving a transition away from a fossil fuel—based economy can also help advance other critical progressive goals. The steps we need to take to advance a rapid transition away from fossil fuels are the same ones we need to build more equitable economic institutions. For example, as Deputy Director of Worker Power and Economic Security Alí Bustamante argues, workforce training programs for the green economy are an opportunity to strengthen labor unions.

When workforce training programs are built around union partnerships rather than solely around employer relationships, they foster higher wages and better job quality, and defend against racially discriminatory hiring practices. At the same time, strong labor unions can help maintain the stable source of skilled workers we need to transition to renewable energy and reduce emissions.

Moving beyond the idea that policymakers can rely on market mechanisms to solve persistent problems is just as essential to addressing the climate crisis as it is to addressing America's ongoing racial reckoning or the supply chain crisis. Carbon-neutral economic policies are an illusion—just as economic policies are never truly race-neutral because of persistent historic injustices, and as they always pick winners and losers within markets, whether that is acknowledged or not. The following issue briefs demonstrate the kind of action it will take to disassemble failed neoliberal policies and paradigms and deploy public power to execute a sufficiently rapid and comprehensive response to the climate crisis.