



**co-operative  
party**

# **A PLAN FOR A CO-OPERATIVE GREEN NEW DEAL**

**OWNING<sup>THE</sup>  
FUTURE**



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# INTRODUCTION

**The world's focus has been on urgently responding to Covid-19 – but while our eyes may have been on a different ball, climate change remains an existential threat to the planet. While we paused our daily lives to stay home and global economies slowed to a halt, climate change has not taken a break. The problem is urgent, so as well as delivering on economic metrics, our recovery must be green and climate focused.**

With the world in lockdown, emissions will have seen their biggest drop this year since the second world war.<sup>1</sup> On the face of this, this is a glimmer of good news amongst the frustrations and heartbreak of the past few months. But, even this on a planetary scale is a small blip. The 8% drop in emissions from last year puts us just about where we should have been if we were to have any chance of meeting the Paris agreement's target of limiting warming to 1.5C.

And this crisis and drop in emissions has passed our atmosphere by almost unnoticed. Despite lower emissions, the long-term damage that humankind has caused to the planet and atmosphere meant concentrations of carbon dioxide hit a new record high last month.<sup>2</sup> People staying home without their own gardens or balconies will have been particularly aware that lockdown took place through the hottest May ever recorded. There have also been abnormally high temperatures around the north pole and record numbers of intense wildfires sweeping across the Arctic Circle.

But this pandemic has taught us something: that

when the world and its communities rally together to meet unprecedented challenges, they can achieve more than when they act alone. That collective action is powerful and that when we put our minds to it, we can act quickly and decisively in the face of crisis. We have learnt that when push comes to shove, we can change our habits, walk more, shop more locally, fly less.

And even more, we have learnt that governments have greater power to respond to a crisis that we had been led to believe. After decades of inaction and delay in dealing with our climate emergency,

governments around the world have demonstrated their ability to take difficult choices and enact significant change in a short time. The state has found a way to solve, albeit temporarily, many of the problems it had previously washed its hands of – for example, rough sleepers were found hotel beds and vulnerable people had essential food delivered to their doors. Despite a small but noisy minority refusing to wear masks or

follow guidance, there is generally a level of renewed consensus in the value of state intervention and the role of collective action.

We have a window of opportunity to build on this to drive urgent climate action, to turn new habits into a new normal instead of a temporary blip, to extend the global co-operation that has developed in response to this virus to respond too to the need to reduce emissions urgently, to continue to put our trust in science whether it is the race to find a vaccine or the experts advising us on the best policies to avoid a climate catastrophe.



These short term changes in behaviour won't necessarily translate to the post-lockdown world – but even if each individual were to commit to sustainable behaviours like cycling and shopping ethically, however well-intentioned we are it will also take determined action from industry, businesses and governments too to create the step change we need.

This series on Owning the Future looks at how we create a fairer, more resilient economy – tackling inequality to improve lives and support communities as well as to ensure that the right economic structures are in place to ensure sustainable and long-term growth. This would be incomplete if we did not address the climate crisis – looking at how we ensure a just transition so that everyone has a say and a stake in the new, green economy is essential.

The co-operative movement has long been proactive on the climate and environment. Social responsibility and concern for community are hardwired into how co-operatives operate and we can see this reflected in the enthusiasm of community energy groups building solar and wind generation; in retail co-operative societies making it easier for their members to make sustainable choices and developing innovative materials; in co-

operative farmers pushing for higher environmental standards; co-operative housing and community land trusts building sustainable, energy efficient homes.

Now, as we look at how we rebuild our economy after this crisis, those same values require us as co-operators to ensure our future economy is sustainable and low carbon. This paper's focus on inequality makes this a doubly relevant mission. Climate change and inequality are intertwined, both in cause and effect. The poorest have contributed least to its onward march – yet they already bear the brunt of its effect and are most vulnerable to adverse impact from the policies designed to slow its progress.

Applying our values helps to turn decarbonisation into an opportunity for those same communities. A transition requires innovation and new green industry to replace our high carbon status quo – complete with new, green skills and jobs. Deprived neighbourhoods in cities with busy roads and poisonous air should benefit the most from a reduction in emissions from the cars clogging up their streets.



# CLIMATE FOCUSED RECOVERY

**Research shows that, learning from governments' interventions after 2008 and other crises, that climate-friendly policies could deliver a better result both for economies and for the environment.<sup>3</sup> Green projects create more jobs, deliver higher short-term returns as well as increased long-term returns and savings compared with traditional fiscal stimulus packages.**

Therefore, our recovery must be green and climate focused – both in order to meet the climate emergency and in order to tackle inequality and stimulate sustainable long-term economic recovery. Co-operative Party policy is that the UK should be zero carbon by 2030. But this urgency must be backed by a commitment to a fair transition to ensure its benefits are most widely felt. This means ensuring the needs of our present generation are met, as well as ensuring future generations have the ability to meet their own needs too – securing the future and livelihoods of workers and their communities and supporting the most vulnerable in society.

As co-operators, we also believe in a principle of subsidiarity – that there is no one size fits all to mitigate the impacts and benefit from the opportunities of the transition, and local workers, unions and communities should be empowered and supported to develop locally relevant solutions. We believe that the transition must give more people a voice and widen participation, and that no-one is held back from playing their part in decarbonising the economy because the more sustainable choice is the more expensive one.

## **Low carbon job creation**

Good quality jobs need to be a focus for the economic recovery. Many businesses may not reopen their doors, and as the furlough job retention scheme winds down, many households will experience significant drops in income. Unemployment has a long-term scarring effect on individuals and their communities, and unemployment during a recession can become very entrenched, impacting lives and livelihoods in the long term.

The transition to a low carbon future should have a twin benefit - creating good quality, well paid jobs in industries which also contribute to meeting our carbon targets. This means ensuring schools, colleges and universities are equipping the workforce of the future with the appropriate green and transferable skills to succeed, as well as ensuring the current workforce is supported, retrained and retooled so that

they can fully benefit from the transition. Reports show that a clean recovery could make up for most of the jobs lost due to Covid-19.<sup>4</sup>

## **Collective benefit**

The UK's transition should be to our collective benefit, rather than captured by a small number of private companies. The UK's old industrial paradigm was dominated by private interests, whose short-term profit motives offer little incentive to divest from the carbon intensive technologies and fuels which are damaging our environment and future. Instead, collective ownership and participation ensures the transition is in the interests of today's workers and communities, as well as future generations.

Everyone should have a stake in the success of the transition, and as democratic organisations run by the workers and communities who own them, co-operatives are the best form to ensure this.

Furthermore, when workers have a stake and a say in their workplaces, productivity improves. This isn't just a positive result for that industry and the country's economy – it is also key to tackling climate change. Combined with an increased resource efficiency, this supports manufacturing effectiveness by lowering inputs while improving the quality and/or quantity of output.

This dual focus of productivity and resource efficiency will contribute to rebalancing regional economies - manufacturing makes up 15-20% of the economy in lagging regions, and parts of the country with a larger manufacturing industry also have lower overall productivity – raising the performance of manufacturing will have bigger benefits in lagging regions. Specific proposals for worker ownership are explored in a previous chapter of *Owning the Future*, on job retention and employee ownership.

## **A bottom-up local approach**

Community wealth building explores ways that anchor institutions can shift their procurement spend more locally, and shape a different kind of economy characterised by more co-operatives. This approach can help us respond to the climate emergency – by shifting to more localised production we can make consumption less resource-intensive, reduce the need to commute and promote local environmental priorities in a bottom up way, while also creating a fairer economy and local jobs.

This will be especially important in regions and communities which have been hardest hit by

coronavirus and its economic effects – and support to accelerate community wealth building should be targeted in those areas. Done right, the transition can create more resilient and prosperous local economies in those regions. Addressing regional imbalances should be an aim not a by-product of the transition, and a focus on green skills and job quality, with targeted investment and funding, can see those local communities that are often left behind benefit most from the new green economy.

As community wealth building in part relies on good, proactive procurement, more transparent and rigorous reporting standards on sustainability, including triple bottom line accounting, should be introduced so that community wealth builders can more easily differentiate between tenders.

### **Bailout conditions**

The French Government have ordered Air France to set challenging new carbon targets in return for a rescue package.<sup>5</sup> In Canada, the Government has pushed back against the oil and gas industry's demands to lower environmental standards and have insisted that any large business looking for state help must publish climate disclosure reports each year.<sup>6</sup>

By contrast, Easyjet and Ryanair have received £600 million each in cheap loans via the Bank of England's Corporate Covid Financing Facility, and Wizzair and BA have received £300 million each. Carmakers and oilfield service companies have also received

many hundreds of millions too. But these were made without asking for any commitments to reduce emissions or limit their environmental impact.<sup>7</sup>

When the state steps up to support businesses, it protects jobs – a vital role and paramount in the coronavirus response. But just as the state is stepping up, so should business. Companies which fail to contribute to the national effort to meet our climate targets should be required to do more. Climate disclosure should be obligatory for all businesses, ensuring greater transparency.

### **Community-owned renewables**

The co-operative movement has ably demonstrated its ability and willingness to play its role in the transition to renewables, with a proliferation of community energy projects generating power from solar, wind, tidal and hydro projects across the country.

For our post-Covid economic recovery, we must learn the lesson from these successes, which were cut short by unsupportive government policy changes, so that we can use co-operative answers to answer both the climate crisis and the growing socio-economic inequality in the UK. Specific measures to support the growth and success of community owned renewable energy is covered in a previous chapter of *Owning the Future* on democratic public ownership.

## **ENDNOTES**

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