



The Green New Deal

Revolutionary or Recycled Policies?

By Emily Benson

In early February 2019, Senator Ed Markey (D-MA) and newly elected Representative Alexandria Ocasio-Cortez (D-NY) released their Green New Deal (GND), a non-binding Congressional resolution that argues for “a new national, social, industrial, and economic mobilization on a scale not seen since World War II and the New Deal era.”¹

The ambitious 10-year goals of the GND include achieving net-zero greenhouse gas emissions, eliminating the use of fossil fuels, reducing agricultural emissions, and spurring sweeping infrastructure investment from smart grids to railways, all while creating millions of good jobs. Numerous 2020 Democratic presidential candidates quickly co-sponsored the legislation, eager to demonstrate both how seriously they take climate change and their own sympathies for the growing popularity of progressive policies. But there is also strong criticism for the GND from both the right and left. Ernest Moniz, former Secretary of Energy under President Obama, said the plan is “just impractical,” and Senator John Barrasso, a Wyoming Republican, described it as a “socialist manifesto” that would lead the “nation into bankruptcy.”

Far from a detailed proposal or bill, the GND is a wide-ranging resolution that functions as an agenda-setting statement rather than binding legislation. From broad doubts about how to fund the GND to more detailed concerns about how to execute it, the fundamental question is whether the expectations of this proposal are unrealistically high. Looking at recent policies of our closest allies might help provide American policymakers with some insight as they grapple with the future of the GND.

Where Europe Stands

According to recent Environmental Performance Index ratings, which ranks 180 countries on their environmental health and ecosystem vitality, 14 of the top 20 countries with the best environmental policies are European Union member states. With robust investment, strong government support, and achievable goals, many European countries have been able to reduce their dependence on fossil fuels. The top member

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states for renewable policies are France, Denmark, Malta, Sweden, and Luxembourg. The United States ranks 27th.

Despite having already made significant headway, the EU continues to push for even higher environmental standards. In November 2018, the European Parliament approved ambitious new targets for renewables and energy efficiency that mandate a 32.5 percent increase in efficiency standards and renewables consumption by 2030.² Meanwhile, the U.S. has withdrawn from the Paris climate accord, and American emissions are on the rise.

Energy Efficient Buildings

One section of the GND addresses the need to increase the energy efficiency of buildings in the U.S., since buildings account for 39 percent of energy consumption there. In the EU, buildings account for 40 percent of energy consumption and 36 percent of CO₂ emissions, and have been the focus of EU Commission performance and energy directives for more than a decade. The EU has also laid out goals for energy efficiency renovations for a minimum of 3 percent of government-owned buildings. By 2020, all new buildings in the EU must be nearly zero-energy, meaning they must have a “very high energy performance” and their energy consumption should be “covered to a very significant extent by energy from renewable sources.”³ In the U.S., some states do not have any building efficiency standards whatsoever.

Transportation

Vehicles recently took the top spot as the single highest source of CO₂ output in the U.S., meaning vehicles are worse for the environment than all sources of electricity production in the country. However, due to the Environmental Protection Agency’s (EPA) rollback of regulations since 2016, emissions standards are decreasing, and in 2018 emissions rose by 3.4 percent in the U.S.

In Europe, railways are a key connector. Even small countries like the Netherlands, which is roughly the size of the U.S. state of Maryland, have clean public transit, including high-speed rail. Europeans have one vehicle for every two people, whereas in the U.S., Americans own an average of 2.28 vehicles per household, with a third of American households owning more than three cars. In February 2019, citing high costs, California abandoned its plan to construct a high-speed rail line between Los Angeles and San Francisco, signaling a lack of political will to invest in environmentally responsible public transit.

Employment

The GND includes aspirations of a large-scale realignment of employment in the energy sector. Germany provides a great policy blueprint when it comes to responsibly phasing out fossil fuels and providing employment transition options accordingly. In 1968, Germany’s Coal Adjustment Law consolidated all coal mines under one company, which has since overseen a gradual phasing out of hard coal. This policy ensured that coal miners could be prepared for the transition through either retraining or early retirement to avoid sudden unemployment.

The U.S. has made positive strides in terms of renewable energy employment and should continue to seek policies that promote the development of renewable energy. Clean energy already out-employs fossil fuels in the U.S., even though renewables still represent a relatively small share of energy produced across the country. Furthermore, there is evidence that employment in this industry is nearly as sustainable as its fuel, since many of these jobs could prove difficult to automate. Retrofitting old buildings and constructing new ones requires workers to install energy efficient boilers, heat pumps, and window insulation. Apart from construction, clean energy also supports a significant number of mid-level engineering and software jobs. Strong employment in the sector indicates that a push from the government could support the sweeping change the GND envisions.

Greenhouse Gas Emissions

The European Commission’s 2018 renewable energy directive requires the EU as a whole to source at least 20 percent of its total energy via renewables by 2020, and several countries have already made significant strides.⁴ Germany’s comprehensive Climate Action Plan 2050 seeks to cut greenhouse gas emissions by 95 percent by 2050, similar to the GND goal of net-zero greenhouse gas emissions by 2050.⁵ Since 2000, Germany has spent over \$220 billion (€195 billion) on renewable energy subsidies. In 2016, the country’s emissions had decreased by nearly 30 percent, while renewable energy consumption rose almost 15 percent.⁶ In 2017, roughly 30 percent of the country’s energy came from renewables, versus 11 percent in the U.S.⁷ Germany may have the second highest electricity prices in the EU after Denmark, but these changes have come with low political costs. In fact, 95 percent of Germans believe expanding renewables is important, indicating that Germans’ energy priorities are not just cost-driven.⁸

Like Germany, Denmark started pivoting away from coal in the 1970s and investing heavily in wind power. Denmark was early in hitting its renewable energy targets, and the country is on track for 50 percent renewable energy by 2030. In 2016, wind alone produced 43 percent of power

consumed in Denmark. Overall, Denmark, which in the 1990s was a net exporter of oil and gas, is now 90 percent self-sufficient—thanks to renewables.⁹

A first step for the U.S. to follow suit could be to shift some of the estimated \$20 billion (€17.7 billion) spent each year in fossil fuel industry subsidies to supporting renewable energy.¹⁰

Revolutionary or Recycled?

Europe has proven that government action on energy efficiency can be cost-effective and politically salient. As policymakers in the U.S. continue to debate the Green New Deal, they have a formidable resource in their EU allies on the other side of the Atlantic and the lessons they have learned over the years. Europe has demonstrated the feasibility of a comprehensive clean energy strategy that supports jobs, reduces emissions, and grows local economies. Europe has turned its size and diversity into assets, not policy hurdles. It would not take revolutionary policies for the United States to do the same.

Endnotes:

1 H.Res.109 - Recognizing the duty of the Federal Government to create a Green New Deal. [https://ocasio-cortez.house.gov/sites/ocasio-cortez.house.gov/files/Resolution%20on%20a%20Green%20New%20](https://ocasio-cortez.house.gov/sites/ocasio-cortez.house.gov/files/Resolution%20on%20a%20Green%20New%20Deal.pdf)

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