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Green new deals could be the answer to COP26's deep decarbonisation needs

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ABSTRACT

The 2021 Conference of Parties (COP) 26 was expected as a landmark meeting, noting the increased impacts of climate change and the subsequent warning reports by the Intergovernmental Panel on Climate Change (IPCC) and that of the United Nations Framework Convention on Climate Change (UNFCCC). With global temperatures gradually increasing, COP26 underlined the need for deeper commitments, fueling a race to decarbonization. However, Nationally Determined Contributions (NDCs), where countries make their climate pledges, do not reflect the need for just transition models with dimensions of inclusivity and economic equity in mind. A measure that can emerge at national levels post-COP26 is 'Green New Deals,' which can respond to contextual needs while accelerating sustainability transitions with social protection frameworks if carefully designed. With proper structuring, while taking into account immediate, short- and medium-term goals, Green New Deals can be designed as a critical tool to ensure the attainment of sustainability agendas while pursuing social and economic justice.

Climate talks have been ongoing for three decades since the first Conference of Parties (COPs) in 1992, but negative climate impacts continue to increase both in terms of frequency and intensity. The United Nations Framework Convention on Climate Change (UNFCCC) points out that if all countries commit to their Nationally Determined Contributions (NDC), temperatures could still increase by as much as 2.7 °C (UNFCCC 2021), exceeding the Paris Agreement target of 2 °C, preferably below 1.5 °C. This will demand deep decarbonization and adequate financing needs. Still, it is now understood that wealthy governments will not be fulfilling their pledge of USD 100 billion, aimed at helping developing economies in their pursuit of climate mitigation programs, until at least 2023 (OECD 2021), while it was initially proposed in 2009 and captured in the Paris Agreement (Article 9). The initial target was for the developed economies to raise at least \$100 billion by 2020, but, as reported by the OECD (OECD 2020), only \$78 billion was noted to have been raised by the end of 2019.

With the frequency and intensity of climate events such as storm surges, flash floods, desertification, and droughts, among others, is on the rise, Developing, Least Developed Countries (LDCs) and Small Island Developing States (SIDS) continue to be exposed. These challenges continue to impact the livelihood of communities in those economies. The

resilience gap between these and developed economies can be huge, while developed economies are the largest carbon emitters (Ari and Sari, 2017) that induced climate changes. The inequitable resilience levels contributed to increasing climate migrations. For instance, the number of climate migrants had risen by over 30.7 million by the end of 2020 (UNEP 2014). Additionally, in contrast with the Global North, which has financial means and capacities, SIDS experienced at least four times the costs of infrastructure investments due to high dependency on the importation, prompted by limited inland resources, and low resilience levels climate change (Mycoo and G.Donovan, 2017). This then points to a disproportionately high budgetary need to warrant investing in projects that match anticipated climate risks, as well as capacities to promote adaptability, resilience, and economic growth.

The challenges for building economic resilience are made more complex when computing the realities of COVID-19, prompting a need for new strategies. The World Meteorological Organization (World Meteorological Organization 2021) highlights that during the height of the pandemic in 2020, emissions had significantly reduced due to widespread global lockdowns and reduced economic activities. However, as countries eased restrictions and gradually resumed economic activities, an increase in emission levels was noted, reaching an all-time

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Fig. 1. The European Union's Green New Deal. Showcasing cross-cutting objectives while sustaining green growth and sustainable transitions. Illustration by Authors.

high –far above the average reported in the past decade. While the steep emissions increase is being argued to result from activities supporting economic growth, this perception is gnawed long-term. With the impacts of climate change projected to continue increasing in the coming years, accumulated wealth would be at risk if sustainable practices are not incorporated in economic recovery programs, posing a direct threat to economic growth.

The COP26 came at a critical moment where deep decarbonization is required. At a time, countries were engaging in economic recovery agendas, including reconceptualizing resource use in circular economy models (Allam, 2020). Beyond the need for universally agreed economic models, such as fiscal models for regeneration and common areas such as the Blue Economic model for coastal economies and the Silver Economy for rapidly aging areas, there will be a need to ponder community-centric economic models. This approach will aid in creating ownership of projects and aid in their success as sustainability approaches must be embraced at all levels. Currently, NDCs only represent emissions reduction and do not factor in this scaled approach. Hence, it could be argued to be dissociated with social frameworks. To ensure that economic resilience is inclusive and equitable, it will thus be paramount to ensure that recovery models (from both climate and the COVID-19 pandemic) align with NDC targets while also including social frameworks, as this will prompt community acceptability and ensure that wealth and green jobs are equally distributed, leading to economic stability and growth.

Green New Deals (GND) can be positioned as a potent model to pursue green growth. It simultaneously pursues economic growth, societal resilience, and community empowerment while addressing the core challenges of sustainability transitions. Regarding this, GNDs can be defined as a resolution agreed by either governments, institutions, or organizations to mobilize different aspects of economies and societies to ensure the transition to cleaner energy, production, and operation of varying human activities while increasing job opportunities for all people via a guarantee for social protection by authorities (Allam et al., 2021). As of 2021, a variety of GNDs existed, varying dynamics. An example of such is the European Union's GND Model illustrated in Figure 1 below, which showcases the breadth of scope that the model can be made to approach. Similarly, other geographies can implement such strategies regarding contextual needs, where policies can be made to respond to localized socio-economic needs while collectively building towards global emissions reduction targets.

The GND concept has gained traction in the last decade, with different regions formulating their versions. However, it is appreciated that the concept started to gain global popularity in 2008 after the United Nations announced a global Green Deal (Barbier, 2009). Following this, former United States President Barack Obama 2008 attempted, with no success, to introduce a GND for the U.S in 2008. However, in 2019, Representative Ocasio-Cortez and Senator Markey championed the policy and successfully advocated for its passing, which could be credited to the efforts of the civil societies firmly demanding an economic paradigm shift (Conte, 2019). In other jurisdictions such as Europe, the GND concept has gained similar popularity, especially with the proposal for the EU region to embrace and adopt a circular economy model, incorporating the aspects of a GND (European Commission 2019).

The popularity of GNDs is due to the promise of addressing sustainability agendas and focusing on social and economic justice, side-lined in linear economic and climate action discourses. With a solid cross-cutting approach, GNDs are structured to favour rapid transition frameworks, including the popular area of energy, focusing on the phasing out of fossil fuels to lower emissions. The U.S. GND version, for instance, proposes the need to make fossil fuels unattractive by rising fuel prices, akin to approaches like carbon taxation and carbon offsets (Fischer and Jacobsen, 2021). While the latter is subject to contemporary debates about its moral purpose in business milieus, it will play a key role in bringing financial capacities to southern geographies, should the concept be extended to other economies. GNDs can further be crafted to encourage governments to undertake Research and Development (R & R&D) in green technologies to supply the upcoming market demand in many sectors, such as renewable energies, housing, and others. Interestingly, in the European GND, the target transcends national boundaries and instead cements a regional aim of achieving net-zero emissions by 2050 (European Commission 2019). This is to be completed by ensuring that economic growth is decoupled from resource use and by addressing socioeconomic issues via extensive jobs creation and increased supply of basic amenities like food and clean water and quality healthcare, to name a few. This perspective is interesting, as it highlights possibilities for country-specific GND policies aligning with regional net-zero objectives while ensuring healthy and sustainable cross-border transactions, being key to ensure that geopolitical balances are maintained.

While varying versions of GNDs are geared to become successful shortly, thus, boosting climate actions in different regions, a few areas

would still need to be furnished to increase their global acceptability. First, country and region-specific GND policies would need to be emphasized to ensure that most local challenges' solutions emanate from communities themselves rather than from being proposed by governments. This would provide room for the bottom-up approaches being championed within economic recovery programs in different geographies. By so doing, this will have positive bearings on how limited financial resources are to be utilized; by specifically pressing programs that would have both short-term and long-term impacts on the livelihoods of local communities and how fiscal mechanisms could be used in an equitable way to revitalize local economic landscapes. Without considering this, GNDs may face the threat of being categorized as neo-capitalist philosophical discourse aimed at dictating policy on financially constrained economies. It would further be a strategy to extend the existing inequality gap between different geographical locations and regions. However, suppose the GNDs are to be crafted to embrace an inclusive approach, supporting the formulation, and structuring of country-specific GNDs. In that case, it will be possible to align shareholder and stakeholder interest and further attract the private sector. This way, it will be possible to secure larger financial capacities to support R&D programs required for the development of green technologies and to invest in climate mitigation programs via Public-Private Partnership (PPP) ventures.

Addressing equitable Public-Private financial needs is essential as sustainability transitioning is an expensive undertaking and a potentially disruptive one (Táiwò, 2019; Chatzky and Siripurapu, 2021). Carefully crafted GNDs can thus be positioned as a powerful solution at the national level while promoting economic justice through social frameworks and meeting national, regional, and global targets. This would, however, demand political support across the board. The popularity of the American version reflects this, as even though the proposal could be argued to address both economic and social justice, it received sharp criticisms from republicans (Bloomfield and Steward, 2020), outlining that sustainability transitions may suffer from political polarisation. It would thus be essential to approach sustainability as a cross-cutting theme, beyond politics, and from a multi-scaled lens.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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