



A view of a protest message, “We need a green new deal,” written in chalk in front of the New York State Capitol and office of Governor Andrew Cuomo. (Getty Images/Rochlin)

# Waiting for a Green Stimulus

*By Julian Brave NoiseCat*

**E**ven before Congress passed the historic \$2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act, buzz began to build in Washington, DC, that lawmakers would soon return to the Capitol to hash out another deal. President Donald Trump signed the CARES Act into law on Friday, March 27.

By the following Wednesday, House Speaker Nancy Pelosi was circulating a memo outlining Democratic priorities for spending on infrastructure. But the memo was out of date by the next morning when the Department of Labor released new statistics showing more than 6.6 million Americans filed for unemployment insurance the week prior, topping an all-time record that had been set the week just before that. By Friday, April 3, more than 10 million Americans were unemployed (roughly the population of New York City and Chicago combined). The speaker, responding to the news, changed her tune: once legislators returned from recess, the House of Representatives would instead pursue another bipartisan relief bill. Infrastructure would have to wait.

“Let’s do the same bill we just did, make some changes to make it current,” Pelosi told reporters on Capitol Hill that day. “While I’m very much in favor of doing some things we need to do to meet the needs—clean water, more broadband, the rest of that—that may have to be for a bill beyond this right now.”

### **An Opportunity for Leadership**

Climate and environmental advocates, on the other hand, saw in the economic fallout from the coronavirus an opportunity to advance green priorities that many had assumed would be dead on arrival until the next Democratic administration and Congress. On March 9, Mark Paul, an economist at the New College of Florida, and I published a blog for Data for Progress, where I am vice

president of policy and strategy, arguing that Democrats should set aside concerns about the national deficit and spend big on jobs, infrastructure, and climate. “We should think of climate policy and a Green New Deal the same way we think of other investments, as a down-payment on a safe and prosperous future,” we wrote. With interest rates at historic lows, such an agenda would be cheaper to finance than ever. It might finally be time to act on climate.

The coronavirus seemed to be toppling pillars of American ideology once as firm as Newton’s laws. Amid the pandemic, Republicans appeared willing to open the public purse and spend more than any Congress in history. And so long as the federal government was allocating trillions of dollars in federal aid and economic relief, greens like Paul and I argued that at least some of those investments should help fight climate change.

The pandemic, like global warming, had bound the fates of societies around the world together like few other calamities in human history. And prior global crises offered the United States opportunities to lead on the world stage. During World War II, for example, America rose to defend Europe and democracy against fascism. After the war, our country rebuilt the continent, and back home we created the middle class. Although the United States has turned inward in the era of Make America Great Again, it’s not impossible to imagine the nation reprising its historic role: leading a global community in the fight against disease, economic depression, and, yes, even climate change. But were there any champions of such a view left in Washington?





US House Speaker Nancy Pelosi (D-CA) speaks to the press before signing a \$484 billion relief package amid the coronavirus pandemic. Representatives Maxine Waters (D-CA) (second from left), Richard Neal (D-MA), Nydia Velazquez (D-NY), and House Majority Leader Steny Hoyer (D-MD) observe while social distancing at the US Capitol in Washington, DC, April 23, 2020. The House of Representatives passed the bill as US job losses due to the coronavirus soared and businesses clamored for more support. (AFP via Getty Images/Nicholas Kamm)

On March 22, Paul and I coauthored an open letter to Congress alongside nine other experts who had advised presidential campaigns, providing a menu of green stimulus proposals to policymakers. Numerous think tanks and environmental groups, including Data for Progress, began drafting and researching climate priorities that could conceivably be passed into law as Congress shifted to invest in jobs and infrastructure projects that would put Americans back to work once it was safe.

These ideas, of which there were dozens, ranged from a proposal to replace our nation's aging water infrastructure to a proposal to create a Climate Conservation Corps to requests to increase funding for existing programs such as the Low-Income Home Energy Assistance Program, which helps low-income households with their energy bills, to more visionary ideas like public ownership of the power sector. (Environmentalists—particularly left-leaning ones—have no shortage of big ideas these days.) It may be that these are precisely the kinds of policies that could resuscitate the economy, bolster the United States' waning global influence, and preserve a healthy climate for future generations.

### Room for Negotiation

The prospects for a big green stimulus lay at the end of a legislative gauntlet that Democrats appeared unwilling to run. In the Senate, Democrats included provisions in the

CARES Act that would extend tax credits for renewable energy and require bailed-out airlines to reduce their emissions. But Republicans smeared those additions as political gamesmanship. "Democrats won't let us fund hospitals or save small businesses unless they get to dust off the Green New Deal," said Majority Leader Mitch McConnell on the Senate floor as the upper chamber debated the bill. Both proposals to deploy renewable energy and reduce airline emissions were soon dropped. When the chips were down, even Senate Minority Leader Chuck Schumer had little appetite for a tussle with the GOP amid the pandemic. As usual in Washington, climate would have to wait.

But wait until when? That question seemed to be at the core of Pelosi's 48-hour late-March pivot from relief to infrastructure and then back again to relief. If Democrats were going to push forward a green stimulus, everyone involved agreed it would have to be done as part of a broader bipartisan infrastructure package that could win the votes of Senate Republicans. And if Congress was going to do infrastructure, that would mean lawmakers felt confident it was the right moment—in the course of the spread of the disease, the economic downturn, and trending public opinion—to shift from a framework that foregrounded relief and health care to one that centered on jobs and infrastructure.



While epidemiologists and economists are obviously the most appropriate advisers on matters of public health and the market, Data for Progress began fielding a tracker poll in April that included questions intended to gauge shifts in the views of voters. When should we start to reopen and rebuild our ailing economy? And what did the public think of America's global role amid the pandemic? Answers to both questions may define the trajectory of the United States and the world for years to come. So far, we have seen little movement, with three out of four voters polled in April believing that Congress should prioritize relief over infrastructure.

One woman's view on these questions mattered a great deal more—and in fact set the tone for the rest of the Democratic Party and much of the country—and that was Speaker Pelosi. Anyone who's watched the TV shows *The West Wing* or *Veep* knows that Capitol Hill is a place where high-stakes decisions are made in low-information environments (and occasionally, in smoke-filled parlors). As Congress haggled over the details of CARES and then set about drafting and negotiating the next round of legislation, the slow drip of information out of the speaker's office had the power to send Team Blue's legislators, lobbyists, and activists running to and fro, chasing the latest news and adjusting their approach on Capitol Hill to respond to leadership. Insiders even

began calling the two options on the table COVID Phase 3.5 and COVID Phase 4.

COVID 3.5 was shorthand for a bill that would extend and amend aid provided in the CARES Act. COVID 4 was shorthand for a bill aimed more at jobs, infrastructure, and maybe even a few climate and clean energy priorities. "I'm hearing..." became the most common words on political operatives' lips. But news was old almost as soon as it was heard. Most believed Congress would return and get to work on a COVID 3.5-style bill. But others—particularly the green stimulus crowd—had their eyes set on COVID 4 and beyond.

While Republicans appeared unusually willing to spend big, centrist Democrats had reservations. On April 2, the Blue Dog Caucus sent a letter to Pelosi, Schumer, and Democratic leadership. "Both parties are guilty of having put forward partisan legislation that, in the era of divided government, would do nothing to contain the spread of COVID-19 or deliver peace of mind to the American people," wrote the Blue Dogs. "If the partisan posturing continues in either chamber of Congress, our votes should not be taken for granted."

The nonpartisan Committee for a Responsible Federal Budget (CRFB), meanwhile, began raising concerns about a familiar bugaboo: the deficit. "If the President



A deserted Rue De La Loi as seen on May 1, 2020 in Brussels, Belgium—home to the European Parliament. Many countries in the EU have urged its parliament to adopt a green economic recovery plan. (NurPhoto via Getty Images/Jonathan Raa)



and Congress want to work together on a massive infrastructure package, they should do so once they've effectively addressed the immediate crisis and they should fully offset the cost over time once the economy has recovered," said CRFB President Maya MacGuineas in a statement. "Just because borrowing is cheap right now doesn't mean it's free. And just because we should borrow more to manage a crisis doesn't mean we should borrow infinitely more for every feel-good project that comes to mind."

Frontline Democrats as well as some influential economists appeared to speak to Pelosi with one voice: don't do infrastructure yet, focus on providing relief through another bipartisan bill.

### A Missing Solidarity

Infrastructure week and a green stimulus were, once again, on hold. While this appeared a perfectly sensible course of action, even for some Democrats, other nations were not setting aside their climate plans in light of the pandemic. The following week, 10 European countries, including Sweden, the Netherlands, Italy, and Spain, sent an open letter to the European Union (EU), urging its parliament to adopt a green recovery plan.

"We need to send a strong political signal to the world and our citizens that the EU will lead by example even in difficult times like the present and blaze the trail to climate neutrality and the fulfillment of the Paris Agreement," they wrote. So far, however, the European Commission—the EU's executive—has not attached green stipulations to more than \$1.94 trillion in aid extended to the continent's ailing nations and firms. For now, it seems, health care and the economy have taken precedence over infrastructure and the climate.

I fear lawmakers on both sides of the Atlantic may be repeating the mistakes of the 2009 financial crisis, during which legislatures and central banks around the world extended credit to polluting industries, putting the world's carbon budget even deeper in the hole at precisely the moment we need to start making unprecedented steps to decarbonize.

As lawmakers returned to Capitol Hill the week of April 20, they set to work on COVID 3.5 as Pelosi had signaled weeks before. As of this writing, it remains unclear if Congress will even come back to the table to negotiate COVID 4. Democrats will likely run on a November message attacking President Trump's refusal to heed the advice of experts on the coronavirus.

A recent Data for Progress study, corroborated by a similar survey fielded by the Center for American Progress and Global Strategies Group, showed that climate change was also a strong general election issue

for the liberal party, drawing a favorable comparison with Republicans and Trump, who has described climate change as a "hoax invented by the Chinese." I tacked a question onto a recent survey testing voters' receptiveness to a policy approach that tied together the fight against the pandemic, economic shock, and climate change. Initial results showed voters support such an approach by 62 points, with 75 percent in support and just 13 percent opposed.

In the months ahead, Democrats may well have an incentive to push forward on infrastructure. They control the lower chamber and, in theory, could leverage their votes to pass a bipartisan package that included a mix of Republican and Democratic priorities—perhaps even elements of a green stimulus. But it remains unclear if the conservative party will have any interest in coming back to the negotiating table. Climate and environmental priorities may have to wait yet again, for the next administration and Congress. Whether we will have the votes for a green stimulus by then is anyone's guess. But the stakes could not be higher.

If Congress fails to act on converging epidemiological, economic, and ecological crises, the United States' influence will likely continue to decline. In the wake of a disease that has knit together the fate of humans across the planet, politics in our country and others may turn even further inward. As we face global challenges that demand collective, international actions and solidarity, the triumph of a reactionary, nostalgic populism over the governing ideologies of both the left and right may be one of the most tragic and damaging legacies of the coronavirus. It is the responsibility of more-enlightened and compassionate leaders to resist this tendency.



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*To limit the increase in global average temperature to 1.5°C above preindustrial levels, the most critical transformational pathways for reducing emissions need to be accelerated, and innovative ideas need further attention. Before the world experienced the COVID-19 pandemic and its accompanying impact on the global economy, the Stanley Center, E3G, and experts from the climate and finance communities were considering the ways recovery efforts from a potential global financial crisis could incorporate those kinds of systemic changes. The author shared his expertise during a roundtable dialogue that led to a playbook for action in times of economic crisis, published by the center in March 2020.*