

Green Deal, the new new New Deal

The European Green Deal is not the first such policy drive. What lessons in policy communication can be learned from previous iterations?

By John McLean, Consultant, Rud Pedersen Public Affairs

The starting pistol has been fired and things will move quickly now. The temptation for policymakers and policy-takers is to be allaction, tear up the rulebook and re-write it on green paper, jumping from one hot-button green topic to the next until the Deal is done. Industry, policymakers and others would be wise to take a moment to reflect on lessons from history's previous 'Deals' before doing so.

The original Green Deal

References to the 'Green Deal' first emerged in 2010 in connection with a relatively modest climate policy measure centred around homeowner finance. It was the name given to a now-obscure plan from the UK coalition government to offer loans for homeowners to make energy-saving home improvements. It is fair to say that the scale of the policy ambition has ramped up since then. While some states have led the way in green policies, never has any jurisdiction initiated a root-and-branch rethink of the full scope of its policies that may impact on climate or the environment. What the

European Union is embarking on amounts to a continental-scale audit of climate policy.

At the macro level, the same essential policy instruments will still apply as with the UK home upgrade loan plan. No European Green Deal is going to have teeth without massive injections of financial investment to drive transformation in key sectors. This will, inevitably, come mostly from the private sector. The fundamentals of this will be set out already next summer when a system of incentives and disincentives for the Green Financing Strategy will be decided on. While this may seem like the sort of thing that remains relatively abstract

Recommendations for policy communicators (details in final section)

- 1. Don't be complacent
- 2. Tell a positive story
- 3. Use new tools, or old tools in new ways
- 4. Be transformative
- 5. Act now



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to the ordinary European, expect images of the now -predictable seasonal wave of forest fires around Europe to drive those discussions forward.

The original New Deal

The ancestral history of the European Green Deal goes back even further, of course. Its source inspiration is President Franklin Delano Roose-

velt's New Deal, the marquee spending and lending initiative that was aimed at dragging 1930s America out of recession. Facing down a civilizational challenge, as we are today, FDR presided over what has-been described as "the largest peace-time expansion in federal government activity in American history."

The New Deal was one of the first great exercises in bringing corporate-style branding into the world of politics. The name itself was an attempt to cast the plan as a forward-thinking strategic restructuring. It gave us optimistic-sounding terms like "bank holiday" as the 32nd president of the United States attempted to prevent a run on the banks and reset the broken global financial system.

Much like the current incumbent of the White House, FDR also effectively utilised an innovative new communications platform to bypass the intermediaries of the media and reach the public directly. FDR's radio broadcasts, the now-legendary 'fireside chats', took his voice directly into their homes (a little more elegantly than Twitter).

It is a testament to the power of effective policy branding that the creators of the European Green Deal have taken nominative inspiration from the New Deal when, in reality, its impact was questionable. Rather than a grand strategy, it was a raft of desperate and sometimes wildly implemented emergency measures. <u>Some credit</u> those measures with keeping America afloat until the Second World War gave the economy a more substantive shot in the arm, but <u>others find</u> the evidence decidedly mixed, and <u>still others say</u> it actually made the recession worse.

Winners, losers and unintended consequences

Modern-day policy communicators should bear in mind the chequered record of the New Deal when building their messaging on the European Green Deal. It is a fact of policy-making that there is huge potential for unintended consequences to arise out of large-scale reform, especially when tinkering with economic incentives and supply-and-demand.

The New Deal's measures that were aimed at helping wage labour ended up benefitting large businesses and farms at the expense of smaller businesses and sharecroppers, many of which went bankrupt. That was not the intention of the Deal's designers, but it played a huge part in the corporatisation of the US and global economy over the past century. On social issues, FDR avoided much-needed racial equality reform to avoid alienating allies on economic reform. This held up critical measures—such as anti-lynching legislation—for a generation.

It is also worth noting that deep structural change can have consequences that take decades to emerge. One of the New Deal's key initiatives was Fannie Mac, a privately-owned, government-backed corporation set up in 1938 to help Americans obtain mortgages. What was intended to be a short-term solution became baked-into the federal policy landscape and ultimately ended up at the centre of the 2008 global financial crash which sparked the worst recession since the one FDR was trying to solve 80 years before.



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The new New Deal

Drawing a line across the map of history from the New Deal to the European Green Deal, one must make a stop at the 2008 crash. The subsequent recession prompted President Barack Obama to launch the \$775 billion 'new New Deal'—a package worth more than eight times the European Green Deal's

transition fund in today's figures.

Like FDR before him, Obama was taking charge of the world's lar-gest economy in the wake of a catastrophic market crash, and openly acknowledged his prede-cessor as an inspiration. However, unlike FDR's, Obama's vision never quite cut through—in part because it was more of a series of tactics than an inspiring strategy. It lacked a focal point and an identity, to the extent that we rarely hear direct mention of it as a coordinated policy response despite its gigantic impact.

Another problem Obama faced was that the American public had yet to feel the economic pinch as they had in the 1930s, when people were starving. Public demand for change brings with it more leeway for deeper reform.

Finally, despite his reputation for being a great orator, Obama mainly reserved this skill for public fora communicating in on social policies such as Medicare and gun control, remaining formulaic on economic policy and avoiding overt symbolism as a rule. As a result, despite being relatively successful from a policy perspective, Obama's political opponents were able to place their own narrative around his reforms and divide the public opinion into partisan camps. Where FDR succeeded from a communications point of view, Obama failed.

Time to act

FDR's New Deal was born in Washington D.C. but it forever changed the face of Europe, establishing the founding principles of both the Marshall Plan and the mixed economy around which post-war European welfare states were later built. It also gave us the phrase "the only thing we have to fear is fear itself." The famous line is a noble principle, but one that most industries in Brussels will find tested as new proposals emerge during the coming years.

Announcing the European Green Deal earlier this week, Commission President Ursula von der Leyen communicated a positive vision of industrial transformation, focusing on the opportunities for business as well as the need for environmental protection. But make no mistake, there will also be losers and unintended consequences, as trade-offs are made and incentives defined.

When the status quo is environmental collapse, the wave of change is unavoidable. The trick is to find a way to ride with it *and* (the part that sometimes gets forgotten) to effectively communicate your message to those who matter. By now, every association and large business active in Europe has their version of a plan to save the world, but how many can you remember off the top of your head?

Cover of Time magazine, Nov. 28, 2008



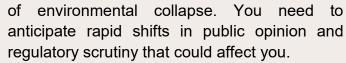


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Learning for policy communicators

1. Don't be complacent

It may seem to you like product is your too systemically important or the gains from additional regulation too small for policymakers to take action. This is not so. **Politicians** respond citizens and citizens are more responding and more to recurring themes



2. Tell a positive story

Contrast FDR's deal with Obama's: your vision must be positive and clear in its purpose if it is to be supported. All of the individual components should feed into an understandable over-arching outcome that can survive the twists and turns of changing priorities, imperfect memories and competing narratives. Remember: if you don't tell your story, someone else will.

3. Use new tools, or old tools in new ways

Think about innovative ways to reach the stakeholders you need to. What could your version of the fireside chat be?

4. Be transformative

Public sentiment is only travelling in one direction on climate issues. Be aware that this steadily increases the weight of incentives for policymakers to take more drastic measures. The centre ground is moving towards action. Whatever your solution, it shouldn't be the status quo.

5. Act now

Both FDR and Obama blamed Wall Street for their respective recessions, but the ones who shouldered the burden were variously taxpayers, small businesses and others who were supposed to benefit. Reform on this scale is complex and if you suspect your industry could become an unintended consequence in the short or long term—whether or not you believe you are part of the solution—now is the time to be shouting that from the rooftops to make that clear to those who need to know.

