



EXPANDING PUBLIC, DEMOCRATIC OWNERSHIP



The Green New Deal requires a complete transformation of the structure and principles of our economy. The prevailing neoliberal ideologies of private ownership, value extraction and profit maximisation form the [root of the crises we face](#) – of climate change, economic inequality, housing, biodiversity, and international and intergenerational inequity. The Green New Deal therefore requires **new and alternative forms of public and community ownership** which would prioritise shared, public wealth as a [precondition for counteracting](#) the ideologies of the ‘free market’ and private ownership.

Rebuilding our economy around public ownership is a reflection of the understanding that the socialist systems of shared political and economic power empowers the working class to demand far more extensive rights and protections, prioritising people over profit and improving the stewardship of public resources and commons. Achieving this demands a **transformative increase in the political and economic agency of communities** through shared, democratic ownership of public goods, services and resources, including energy, water, and transport.

Such models have proven social, economic and environmental benefits, even beyond the immediate community: [transport emissions are greatly reduced](#) as goods and services are consumed more locally; new, local sources of employment arise, obviating the need to travel long distances to work; local [businesses and commons are revived](#); increased local demand generates [new economic opportunities](#) benefitting both private and public sectors; and the [revival of local economies helps renew the sense of community](#) which forty years of neoliberal policy has done much to diminish. The following lays out a number of ways that public ownership could be expanded under a Green New Deal, drawing on several examples of its implementation in a range of communities.

PUBLIC, DEMOCRATIC OWNERSHIP: WHAT COULD IT LOOK LIKE?

The recent report to the Labour Party, [Alternative Models of Ownership](#), identifies a range of public ownership models at different scales which operate in a complementary hierarchy of organisations, such as the

system recently proposed by [Shadow Secretary of State for Business, Energy & Industrial Strategy Rebecca Long-Bailey](#) for restructuring national, regional and local energy production. As argued by public ownership campaign [WeOwnIt](#), each of these three levels serves an equally essential purpose: the **local** for adaptability and for generating new ideas; the **regional** for cohesive strategy; and the **national** for setting and ensuring standards. Given the failure of the private sector to deliver on essential economic imperatives – including combating inequality and energy poverty; tackling our housing crisis; and supporting environmental and climate sustainability – **alternative forms of ownership are required** to:

1. Encourage ‘long-term’ thinking in economic activity to render the UK economy more sustainable by increasing productivity and investment (including in higher wages) and shifting business emphasis from short-term profits to long-term viability.
2. Strengthen democratic processes and accountability so the economy serves the needs and interests of the many rather than the privileged few.
3. Remedy the desperate shortage of public funding caused by austerity and the decline of national tax revenues by ensuring wealth is retained and owned by those who create it.
4. Address the abject failure of privatisation, which has decreased service quality and reduced productive investment, extracting public money for private profit and shareholder value while raising consumer costs, often in companies based abroad and/or in tax havens.
5. Harnessing the potential of automation and digitisation of the economy for the working class and ensuring the benefits are widely shared, while preventing potential associated harms such as monopolisation, rent extraction, and job insecurity.

MUNICIPAL AND LOCALLY-LED OWNERSHIP

Municipal ownership refers to the ownership, management and operation of property, services, and systems by local governments. Under such models, local enterprises are not ‘owned’ by private interests, but **by local people who are direct stakeholders in their community**. Local democratic decisions regarding governance of assets and services are then used to advance community interests in a process of ‘Community Wealth Building’ (CWB).

Organisations such as the [Centre for Local Economic Strategies](#) (CLES) and its '[Preston Model](#)' of CWB are pioneering this agenda, which entails:

1. **Harnessing the potential of 'anchor institutions'** (local authorities, NHS trusts, trade unions, local businesses, housing associations) through increased commissioning and 'progressive procurement' of goods and services via local supply chains.
2. Recognising the **benefits of public land, property ownership and pension funds for local economies**.
3. Encouraging local currencies, local banks, community shares, community energy schemes, and Living Wage activities.
4. Advancing the 'foundational economy' (utilities, care sector, local retail)
5. Developing '**circular**' ownership models which retain wealth in the community – cooperatives, Community Interest Companies (CICs) etc.
6. Investigating the potential of **smart technologies** to promote a new collaborative economy.
7. Stimulating growth and social responsibility among local businesses and expanding employee involvement on company boards.
8. Creating deeper relationships between producers and consumers, allowing greater sensitivity to social concerns and unmet needs.

Many successes in municipal ownership (e.g. those of Preston City Council) have been achieved even in the absence of a supportive national framework. Other UK urban local authorities which have adopted a similar approach include Camden, Croydon, Frome, Hackney, Islington and Lambeth, with many more working with [CLES](#) to achieve similar outcomes.

CWB represents an invaluable means of **driving greater sustainability and equality**, and the Green New Deal will therefore support such processes through policy tools that could include a national agency for CWB; public sector procurement laws supporting local supply chains; phased relocation of national institutions to act as local and regional anchors; increased political and economic autonomy for local communities; and the devolution of funds from environmental taxes (e.g. Climate Change Levy, CRC Energy Efficiency Scheme) to local authorities.

Several of these policies would be **greatly facilitated by key recommendations from the recent [Land for the Many](#) report**, including establishment of new Public Development Corporations like those used

to develop the New Towns of the 1970s; Community Land Trusts to help communities acquire land for local development; and a Future Generations Champion to represent succeeding generations in present decision-making.

NEW FORMS OF NATIONAL OWNERSHIP

Nationalised industries (state-owned enterprises, or SOEs) are legal entities created by the state to:

1. Undertake commercial activities on the nation's behalf (often in 'natural monopolies' such as transport, telecommunications, natural resources, energy, many of which represent major sources of GHG emissions)
2. Pursue key policy objectives (combating climate change, modernising infrastructure, providing 'patient capital' for long-term development)
3. Ensure equality in both access to and delivery of services

After 1945, the UK's many nationalised industries were limited both in the [nature of their highly centralised, top-down management](#) at arms-length from stakeholder groups (employees, users, the tax-paying public), and terms of their ability to borrow funds, leading to chronically insufficient investment, for instance in modernised infrastructure. However, both the [Alternative Models](#) report and WeOwnIt argue that with **increased democratic accountability**, including through the [participation of users, workers, managers and unions](#) in management of nationalised industries, national ownership will be indispensable to tackling the immense and interconnected challenges we face.

The Labour Party has set forth clear, ambitious plans for **key industries to be nationalised, including energy, water and the railways**. The Green New Deal similarly advocates national ownership of these essential public goods and services, which not only comprise basic needs for living and participating in society, but are also critical sectors at the intersection of combating inequality and climate breakdown.

Key to the success of modern SOEs is the existence of a **state investment bank**, as [announced by John McDonnell](#) in 2016, to provide sufficient high-quality, patient finance for productive investment in SOEs. As stated in [Alternative Models](#), 'given the ability of state owned corporations to borrow at much cheaper rates than the private sector, public ownership is the cheaper and more desirable long term option,

ensuring that revenues generated can be returned to the public'. (p. 28).

The Green New Deal will ensure the function of SOEs is maximised by creating a hierarchy of national, regional and local institutions, as outlined in Labour Party consultation [Democratic Public Ownership](#): national in order to realise strategic objectives; regional for implementing and integrating national policy while accounting for regional distinctiveness; and local for community-owned, non-profit making control over everyday production, consumption and services.

PUBLIC, DEMOCRATIC OWNERSHIP AND THE GREEN NEW DEAL

The UK underwent two major economic transformations in the past century, both of which involved radical shifts in systems of ownership. The first came in the 1945 post-war settlement, which saw major innovations like the creation of the NHS; a massive increase in social housing; and the nationalisation of goods and services like energy and rail. The second began with a tide of privatisation under Thatcher's neoliberal project, with the mass sell-off of government assets including public goods such as water and energy and [dismantling of social housing](#) through programs such as Right to Buy.

The lesson to be drawn is clear: the **radical transformation of our economy and society will require equally radical changes in systems of ownership**. The project of decarbonisation with the Green New Deal is an unprecedented opportunity to redesign ownership toward a transformational model founded on decentralisation, devolution of powers and democratic participation in the management and provision of public goods and services like energy, water, and housing. Only by doing so will we be able to ensure that the many - and not the few - have their say in how we manage our communities, workplaces, social services and natural resources, and collectively steward our global ecosystem.