

GREEN TRANSITION: ENVIRONMENTAL, LEGAL, MACRO- ECONOMIC GOVERNANCE

WORKSHOP

Date: 19 Nov

Time: 1330-1500

Room: Williamson 4.07

Zoom:

<https://zoom.us/j/99379138960>

Followed by Coffee/Tea

WORKSHOP

Hosted by Climate and Justice Study Group, Initiative for Global Law and Political Economy (iGLPE), Law and Technology Initiative (LaTI), and Manchester International Law Centre (MILC).

The UK government's desire for higher investment and greater technological innovation is severely curtailed by the current macroeconomic regime, which assigns the objective of price stability to the central bank through the manipulation of short-term interest rates. As the experience of recent years has shown, and as central banks are increasingly recognising, the burden of price stability is more optimally shared across the macroeconomic regime, through a more coordinated mix of fiscal, monetary and industrial policy.

The presentation explores a more pragmatic role for the central bank within an improved macroeconomic regime, focusing on its existential role as lender (and market maker) of last resort, to provide elasticity for capital formation and discipline for speculation. In the 21st century, this necessitates elasticity for investment in decarbonisation, and discipline for assets that are not aligned with a just green transition.

We consider what such a credit policy could look like in light of the evolving structure of the financial system and its survival constraints. We outline proposals which would see the Bank of England use its balance sheet and collateral framework to facilitate maturity transformation, supporting long-term investment in real capital formation and a just green transition.

How might the law be structured to help facilitate these outcomes? What economic/financial arrangements should be prioritised? How might we best understand the solutions and technologies proposed for assessing and addressing environmental conditions and social outcomes?

Featuring Simon Youel, Head of Policy and Advocacy @ Positive Money and Visiting Research Fellow @ Law and Technology Initiative