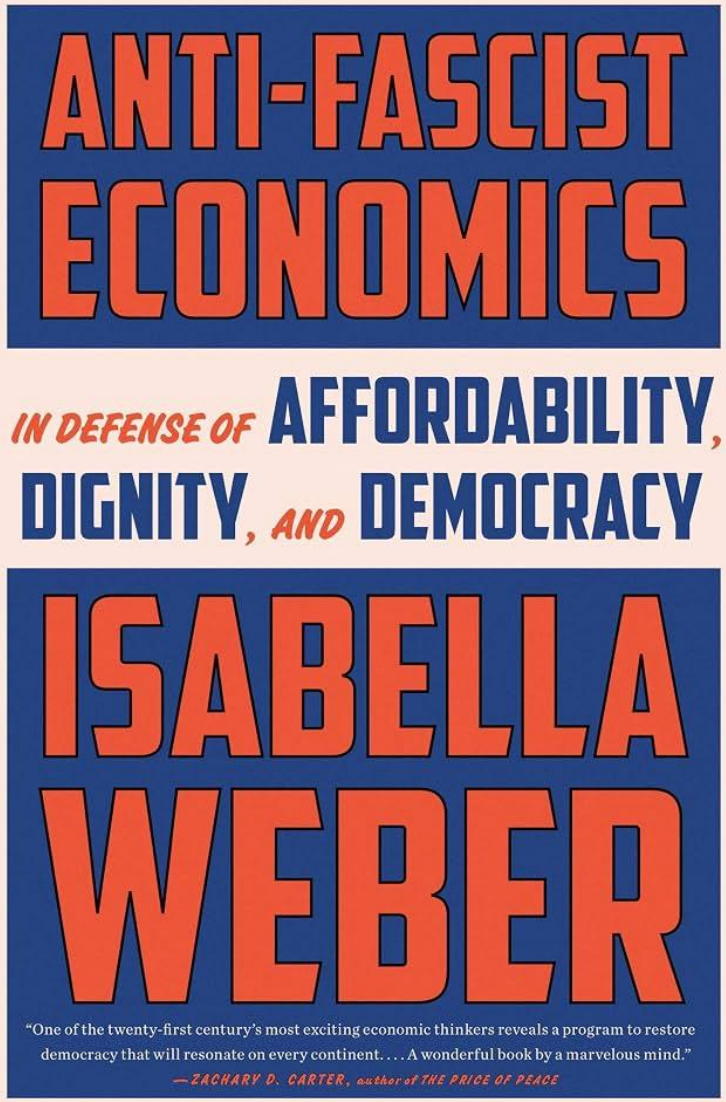
Net Zero in Peril? The case for a new ‘low carbon social contract’

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Senior Honorary Fellow - UCL IIPP



Key themes for today

- Net Zero represents an opportunity to regenerate our communities; reduce energy, housing and transport costs; and build social cohesion and greater prosperity
- However, most people in the UK have felt their living standards worsen for over a decade
- Far right parties are capitalising on this discontent, and are blaming decarbonisation and broader progressive agendas for this malaise
- The mainstream low carbon policy regime is failing to address the material concerns of low- and middle-income communities, through an over reliance on private ownership, market mechanisms and individual choice as the driver of change
- I will argue that, without a course correction towards a new '**low carbon social contract**', ow what Isabella Weber calls an *anti fascist economics* net-zero, and the decarbonisation agenda is in existential peril in western nations like the UK







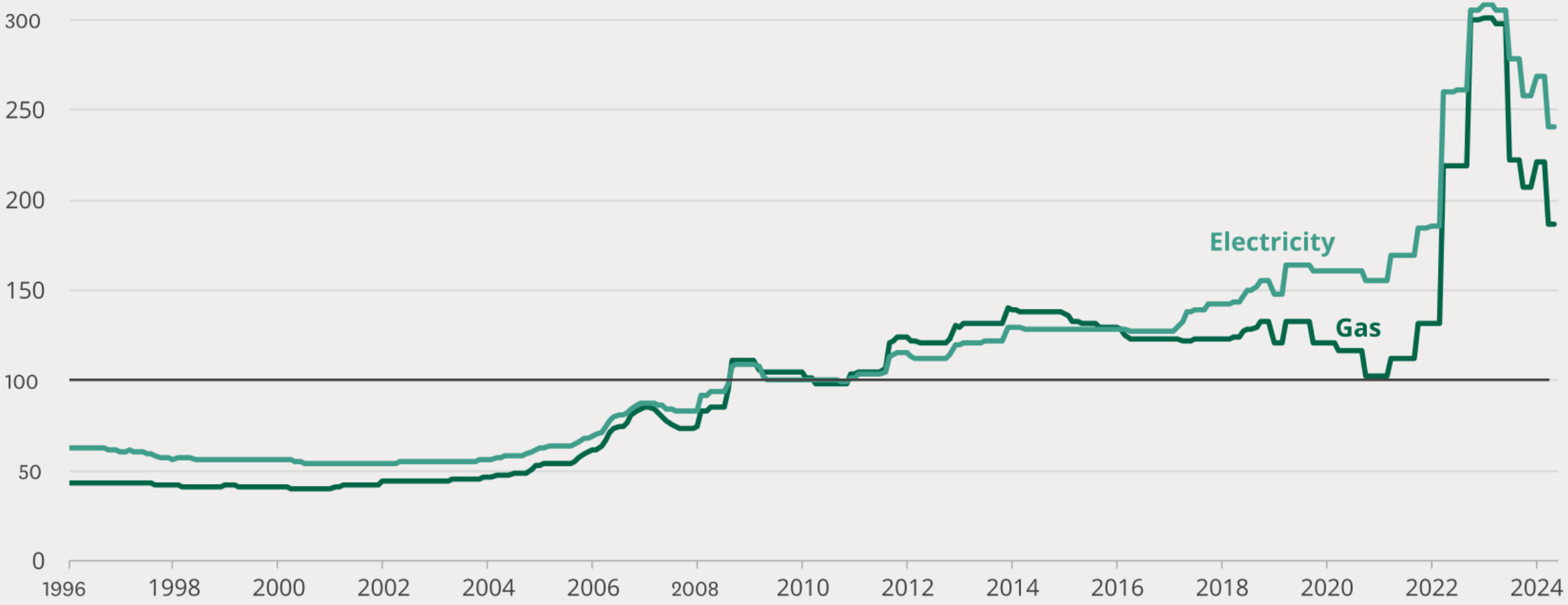
good energy



tresoc TOTNES RENEWABLE ENERGY SOCIETY

The unprecedented increases in gas and electricity prices in 2022 have only been partly reversed

Price changes as measured by the CPI. Index values in current prices, 2010 =100



Environmental Change Institute

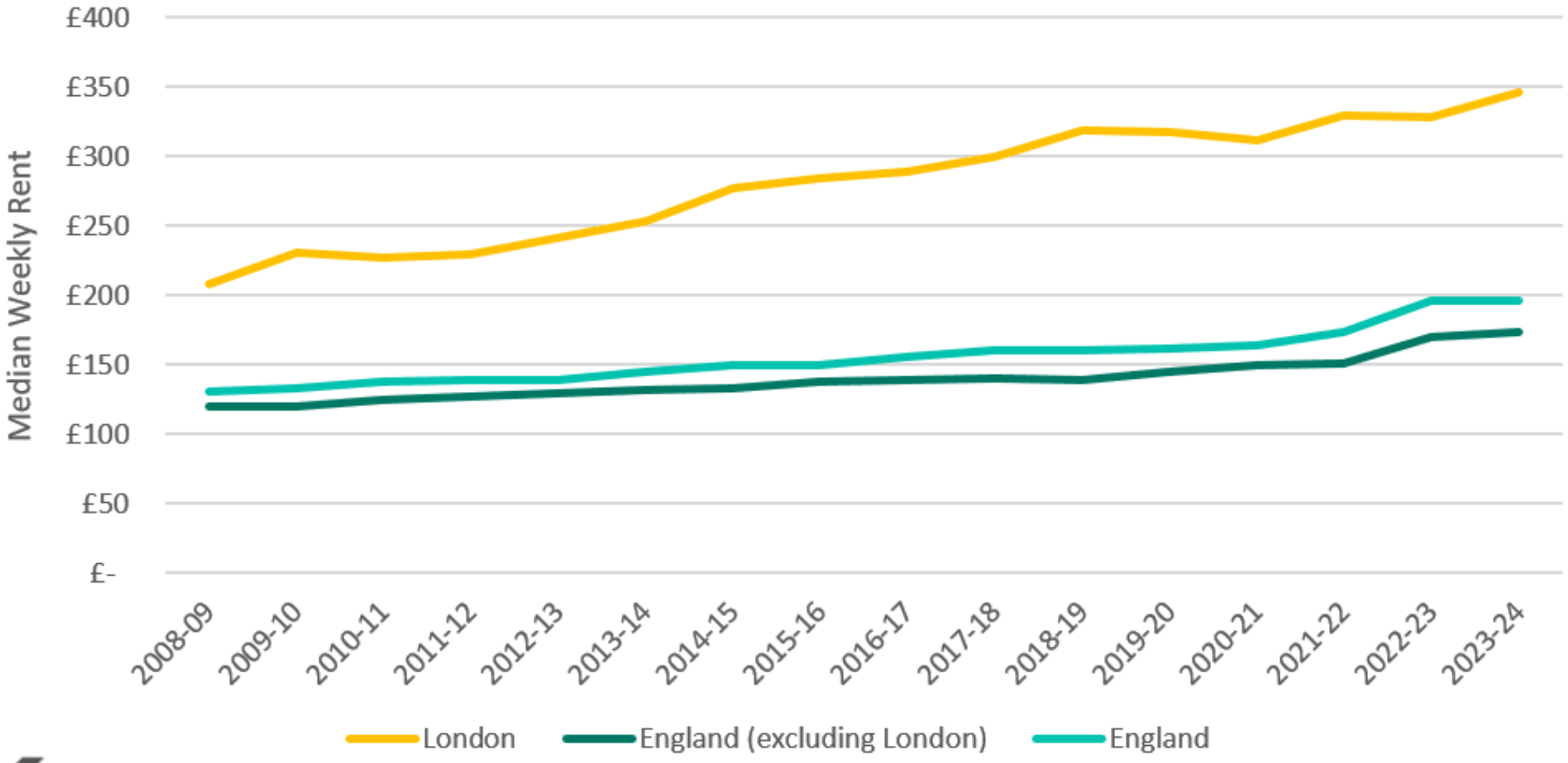
Source: Domestic energy prices - House of Commons Library

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Historical Private Rent Costs

In the past 15 years, private rents have risen 67% in London and 44% in the rest of England

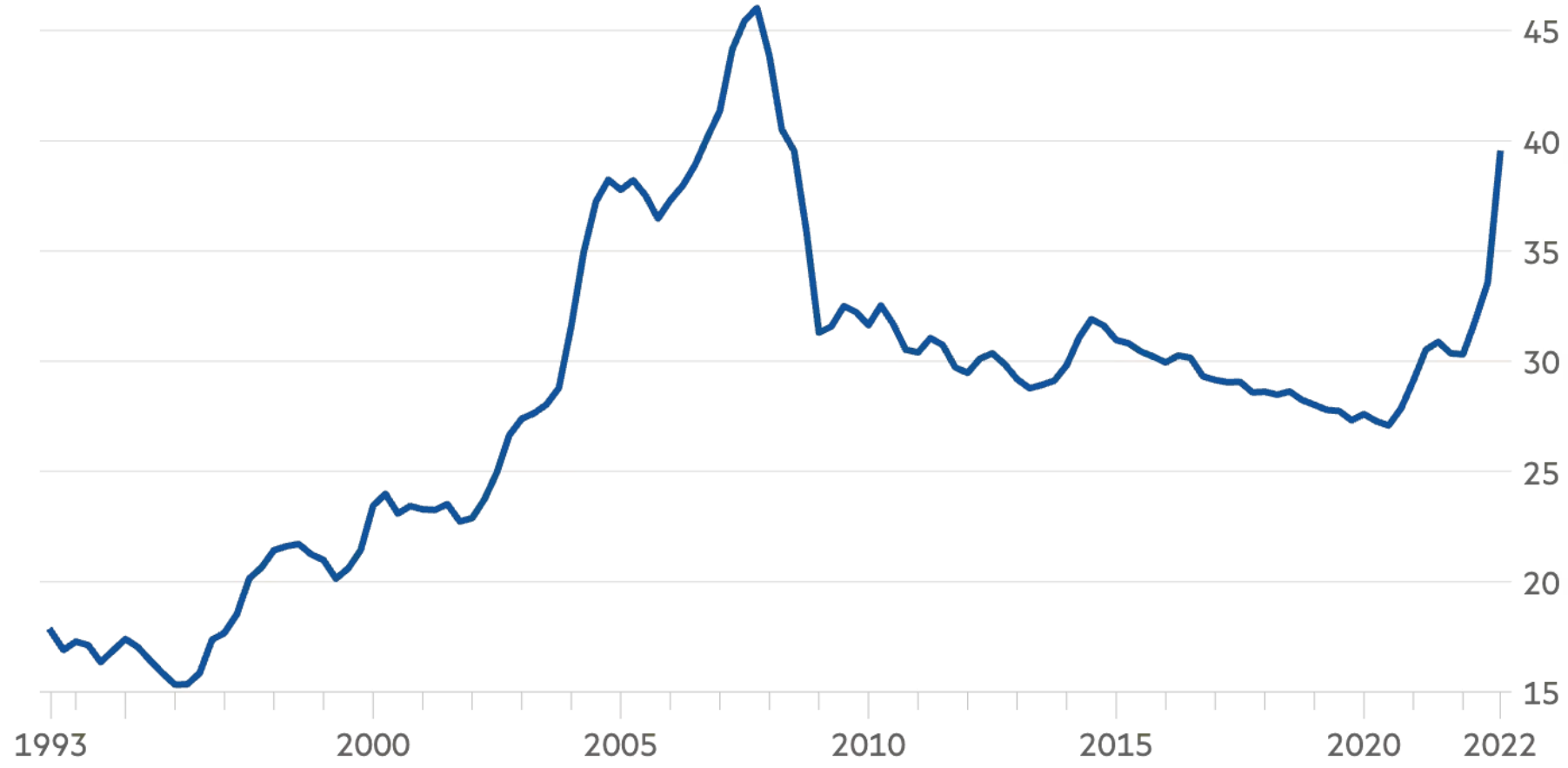


Source: Average Rent in the UK 2025 | NimbleFins

NimbleFins analysis of rent data from Gov.uk

UK mortgage payments have increased

First time buyers, % of take-home pay

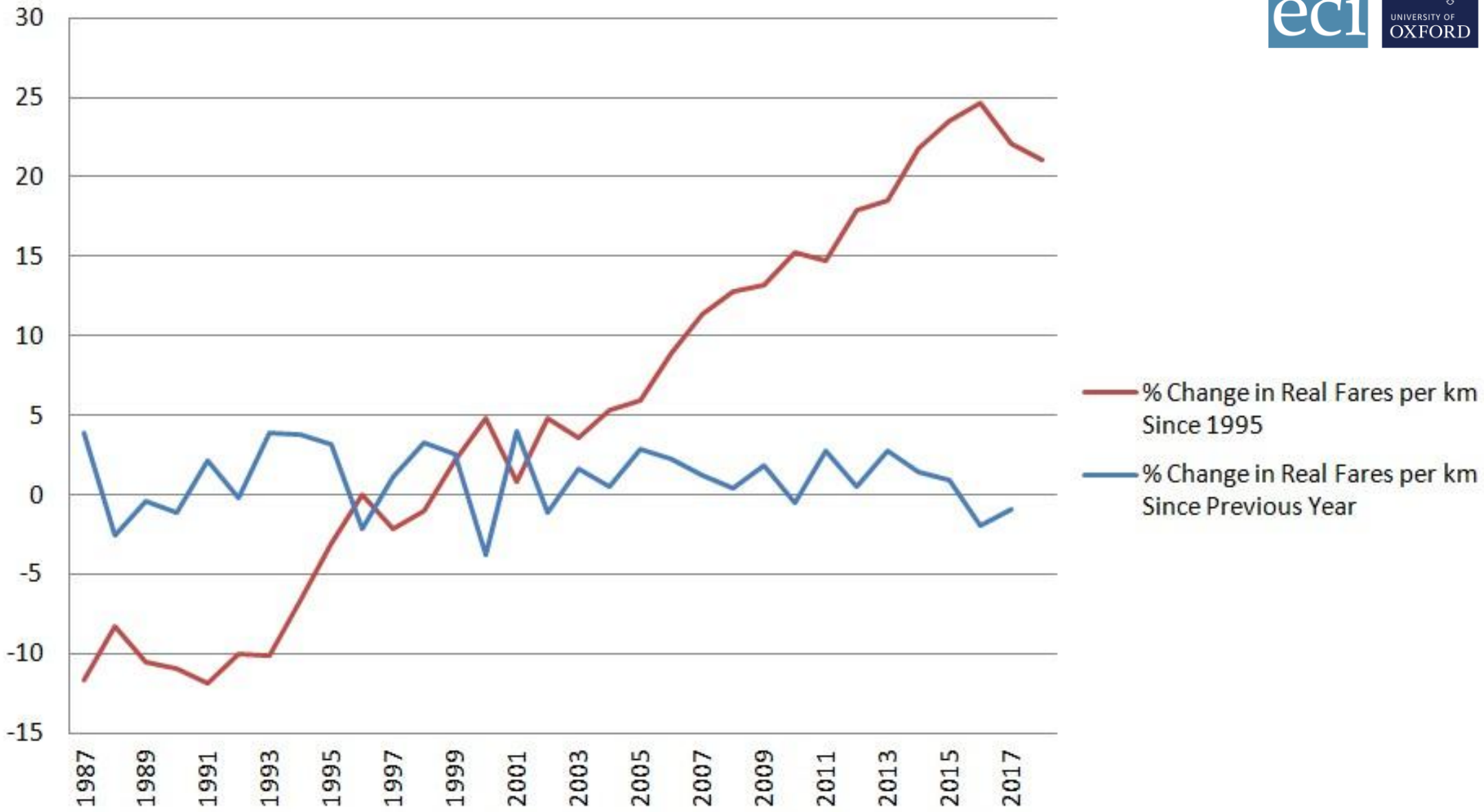


Source: Nationwide

© FT

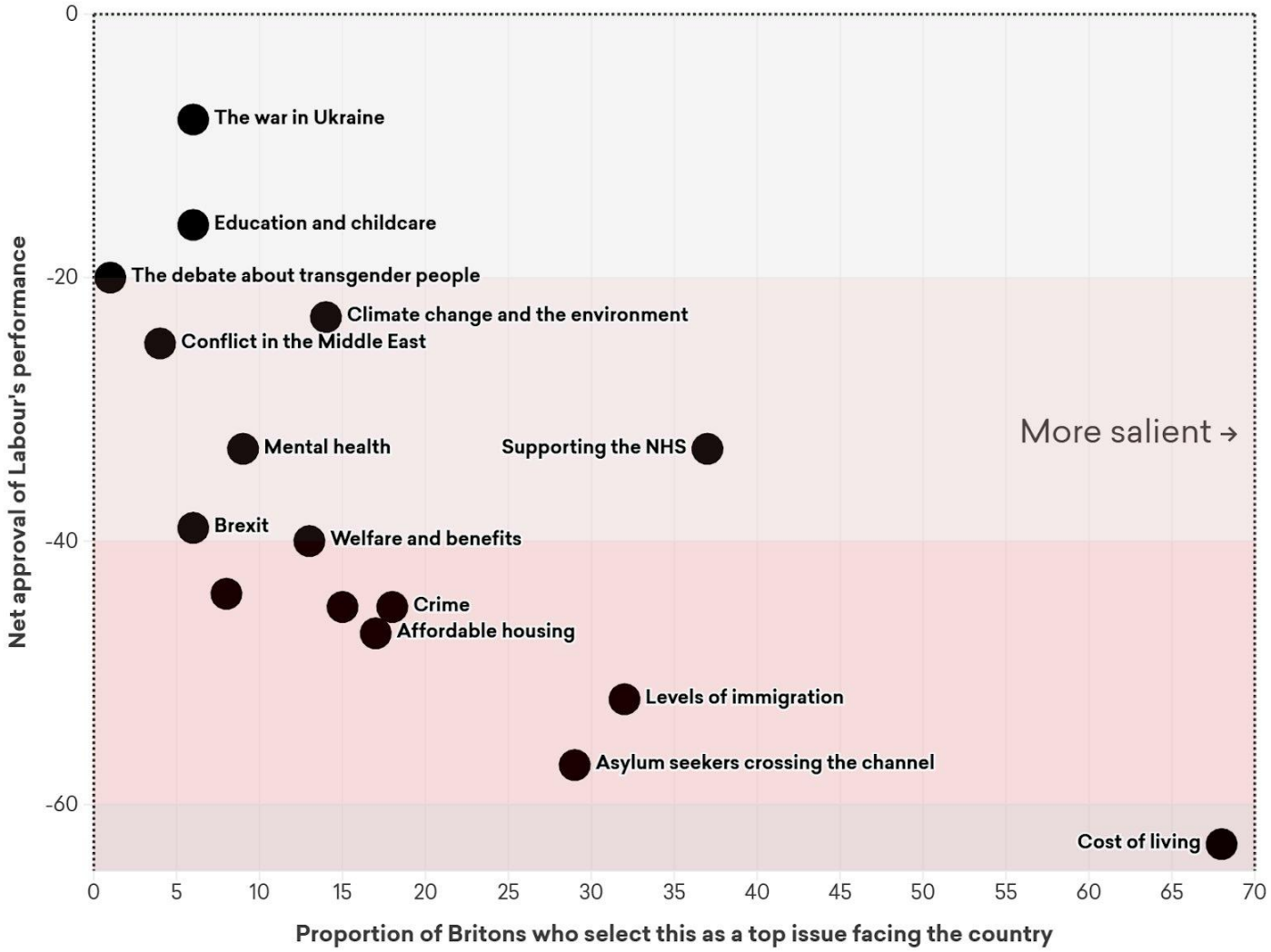
Source: FT - UK mortgage costs rise to highest proportion of income since financial crisis

UK Rail Fares Since Privatization 1986-2017



Labour's approval is lowest on issues that matter most to the public

How well or badly would you say the current Government is doing on each of the following issues?



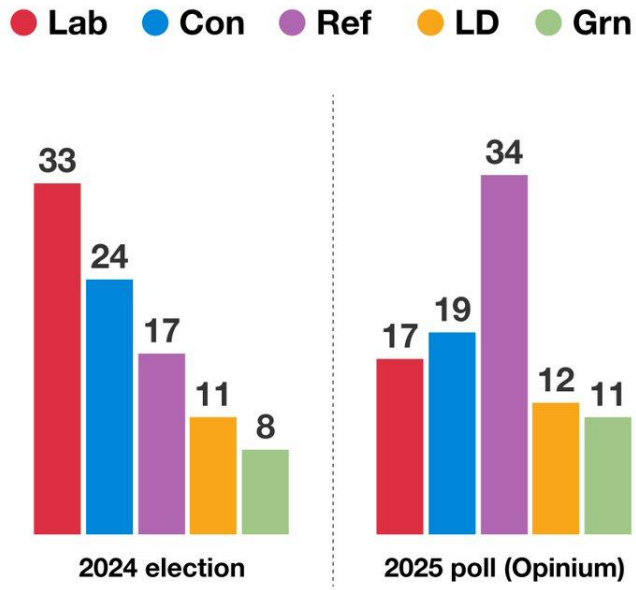
More in Common

More in Common • February 2026

STATS FOR LEFTIES

Voting intention amongst Brits on less than £20k

YouGov exit poll, July 2024 / Subsamples from Opinium poll, 26-28 March 2025

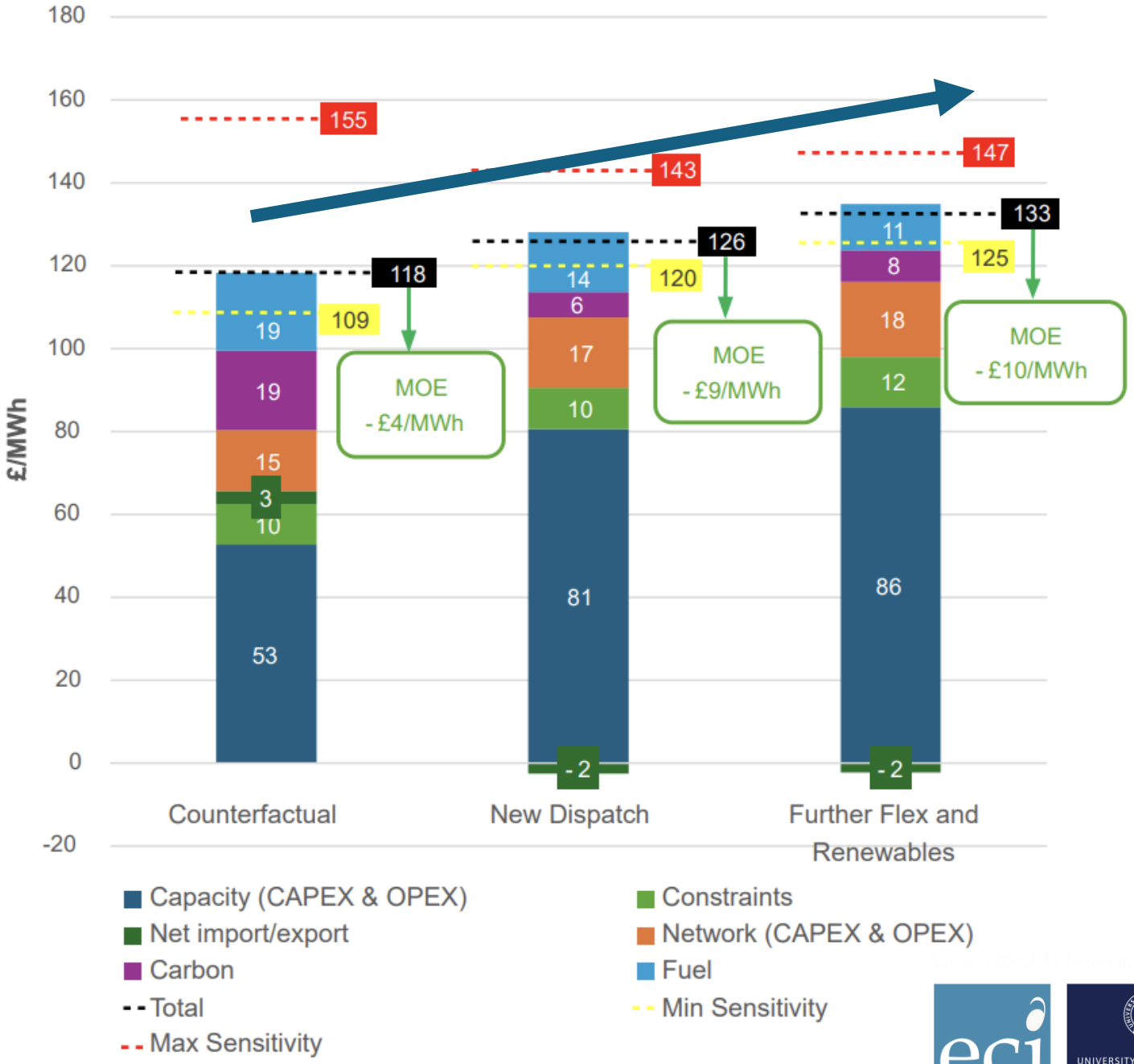




Clean Power 2030

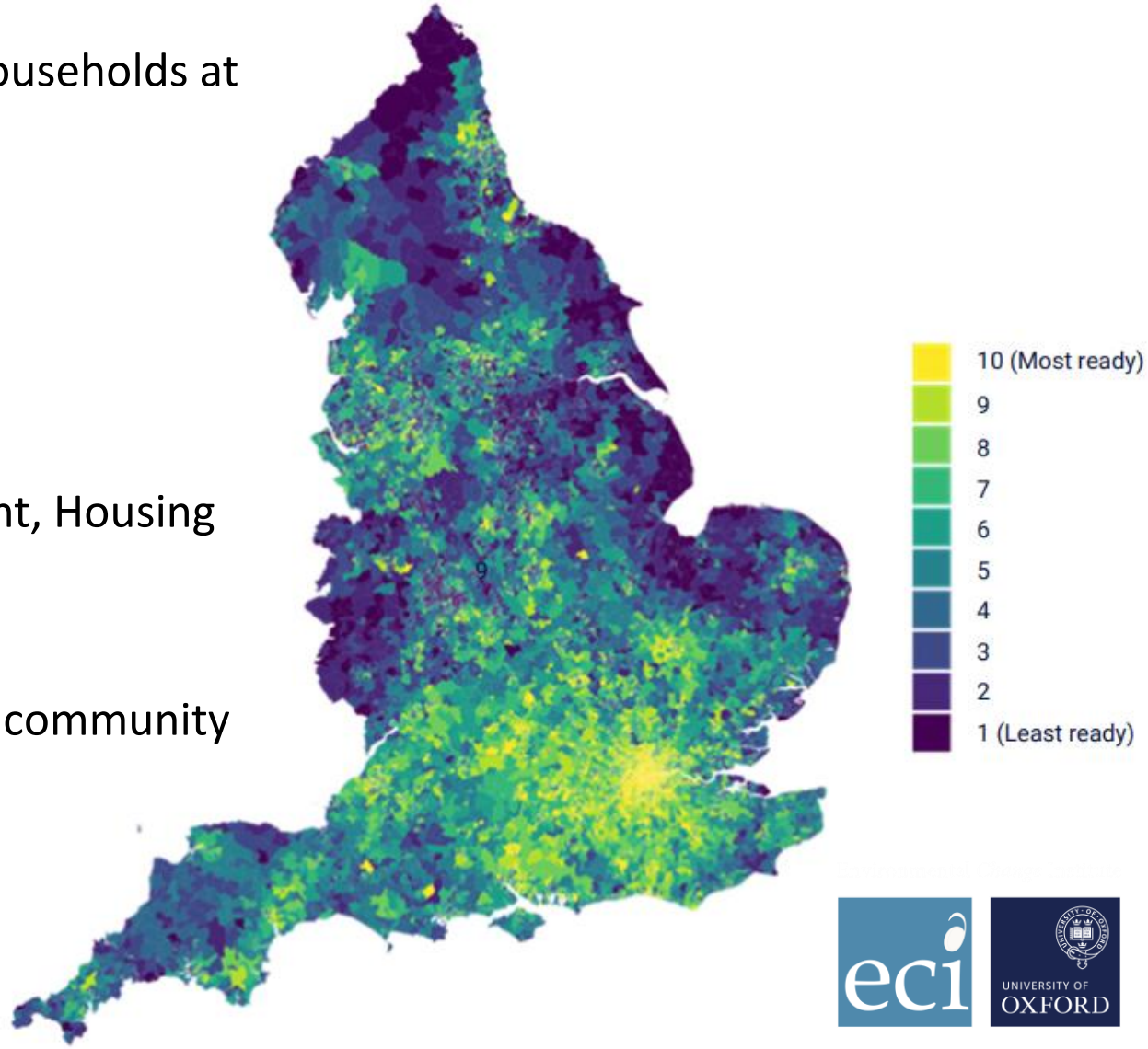
"Clean Power 2030 … can be delivered ***without increasing costs*** *for consumers, without compromising security of supply and while bringing local economic and job opportunities."* ***NESO 2024***





An unjust transition?

Figure 4: A heat map visualising the spatial distribution of readiness scores across England. Annex C provides a brief technical note of how these scores were calculated.



Young Foundation Research finds the poorest 40% of households at risk of falling into 'transition poverty'

Factors which affect transition readiness:

<u>Structural Factors</u>

Economic decline, public perception and knowledge

<u>Agency Factors</u>

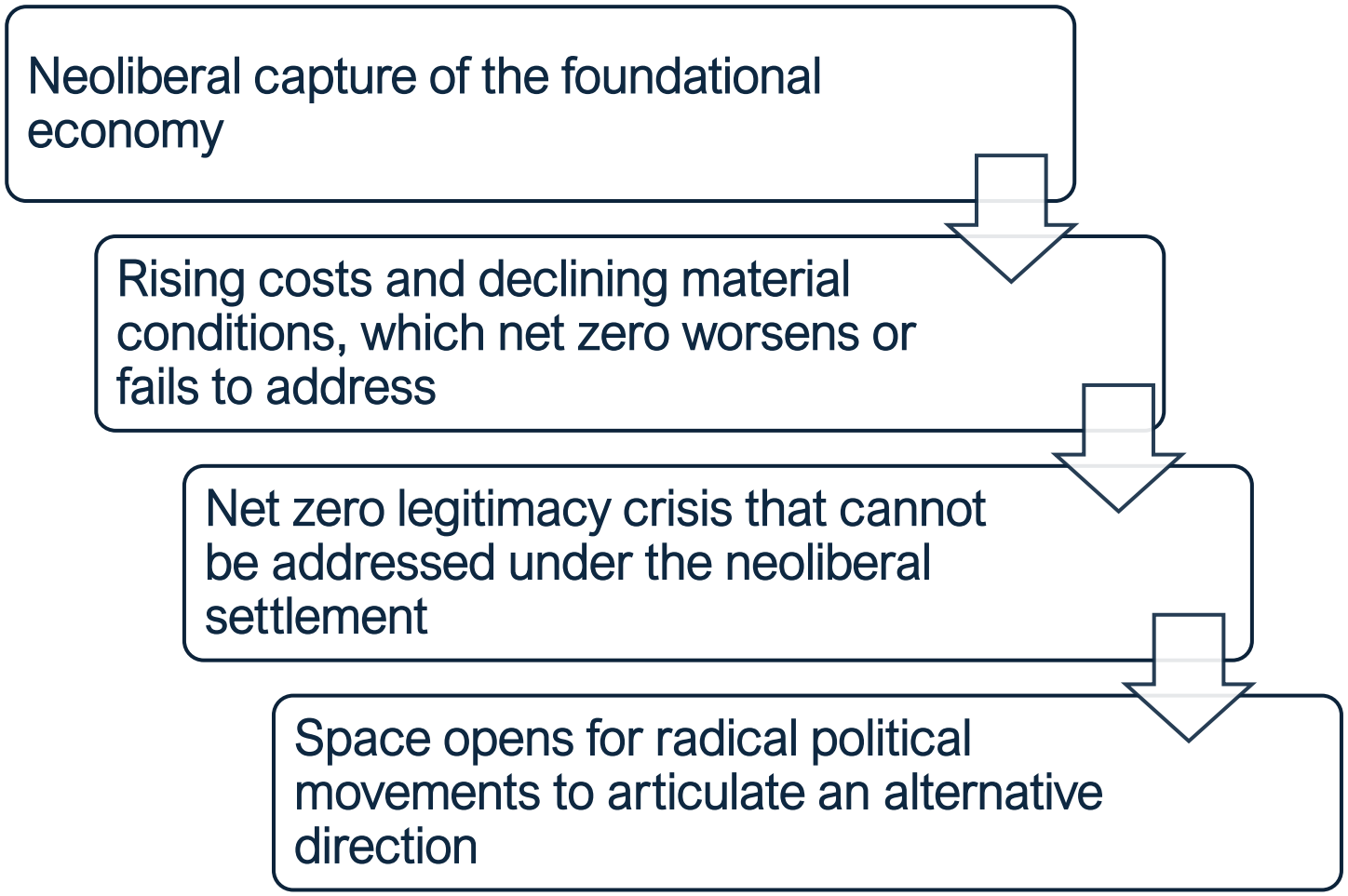
Spending power, Inflexible costs, Political disengagement, Housing tenure

<u>Place Factors</u>

Physical connectivity, Access to green space, Social and community infrastructure, housing stock

Source: Young Foundation -Our-journey-to-net-zero-full-report-February-2024.pdf

The net zero legitimacy crisis



(Brown and Pauker, forthcoming)

- We situate the paper in the literature on climate change and right-wing populism
  - Lockwood, 2018
  - Batel & Devine-Wright, 2018
  - Atkins, 2022
  - Paterson et al., 2024
  - Haas et al., 2025
  - Stefes & Gabehart, 2025
- Theoretical framework draws on Habermas (1975); Jessop (2008); Paterson (2010); Quastel (2016); Hausknost (2020)

The neoliberal decarbonisation paradigm

We examine these dynamics in energy, housing, and transport, situating them within the broader neoliberal political-economic settlement in each sector

Dimension	Neoliberal form
Value logic	Energy, housing, mobility as private commodities; carbon reduction as least-cost metric
Ownership	Privatised infrastructure; socialised risk
Governance	Market mechanisms; means-testing
Business model	Costs loaded onto individuals; regressive funding; de-risked private returns

Together, these produce higher prices, narrower access, and declining quality – providing political ammunition for the populist right

The framework applied: the neoliberal paradigm by sector

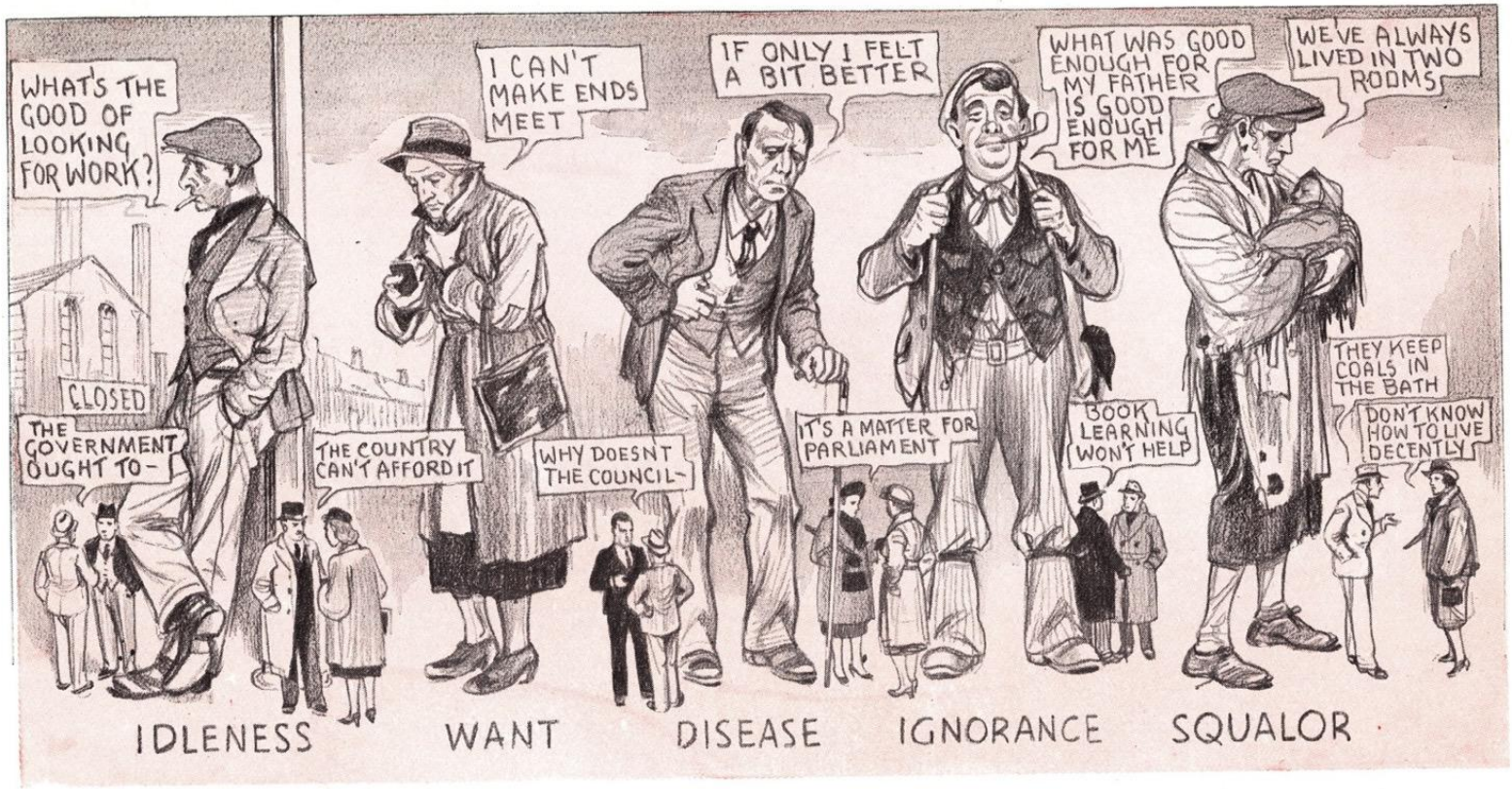
Sector	Value logic	Ownership	Governance	Business model
Housing 	Homes as financial assets; thermal comfort and housing quality commodified via marginal utility and individual consumer choice	Regime dominated by homeownership and private landlordism; social housing residualised; privately owned retrofit supply chain with limited public capacity	Market-based retrofit delegated to private providers with limited public oversight; means-testing and cost-benefit models dominate	Transition cost placed on households who self-finance heat pumps, solar and fabric; residual means-tested grants funded by regressive bill levies
Electricity 	Electricity as a private commodity; competition assumed optimal for welfare and investment allocation; scarcity assumed temporary	Generation, retail and networks privately owned; low-carbon infrastructure financed by private capital at premium returns; public ownership deemed inefficient	Private retail and wholesale markets; networks as regulated private monopolies; marginal pricing plus market-based support to de-risk investors	Transition financed via levies on bills; volumetric pricing; policy and social costs passed to end users regardless of income
Transport 	Mobility as a private good; costs and access not socialised; automobility as the normative ideal of mobility and freedom	Private ownership of vehicles as dominant mode; rail and buses fragmented into private franchises; minimal municipal mass transit	Decarbonisation centred on electrified automobility; public transport in private marketplaces; planning perpetuates car-dependent development	Transition funded by private vehicle purchase and high-cost private charging; public transport on majority cost-recovery basis

Source: ***Brown & Pauker (forthcoming),*** *Table 2: Sectoral disaggregation of the neoliberal decarbonisation paradigm*

The Social Contract

Social Contract: *The implicit agreement among the members of a society and its leaders about the rights and duties of each.*

The 1942 Beveridge Report identified five "giant evils" (Want, Disease, Ignorance, Squalor, and Idleness) that plagued British society and needed to be eradicated to build a post-war welfare state.

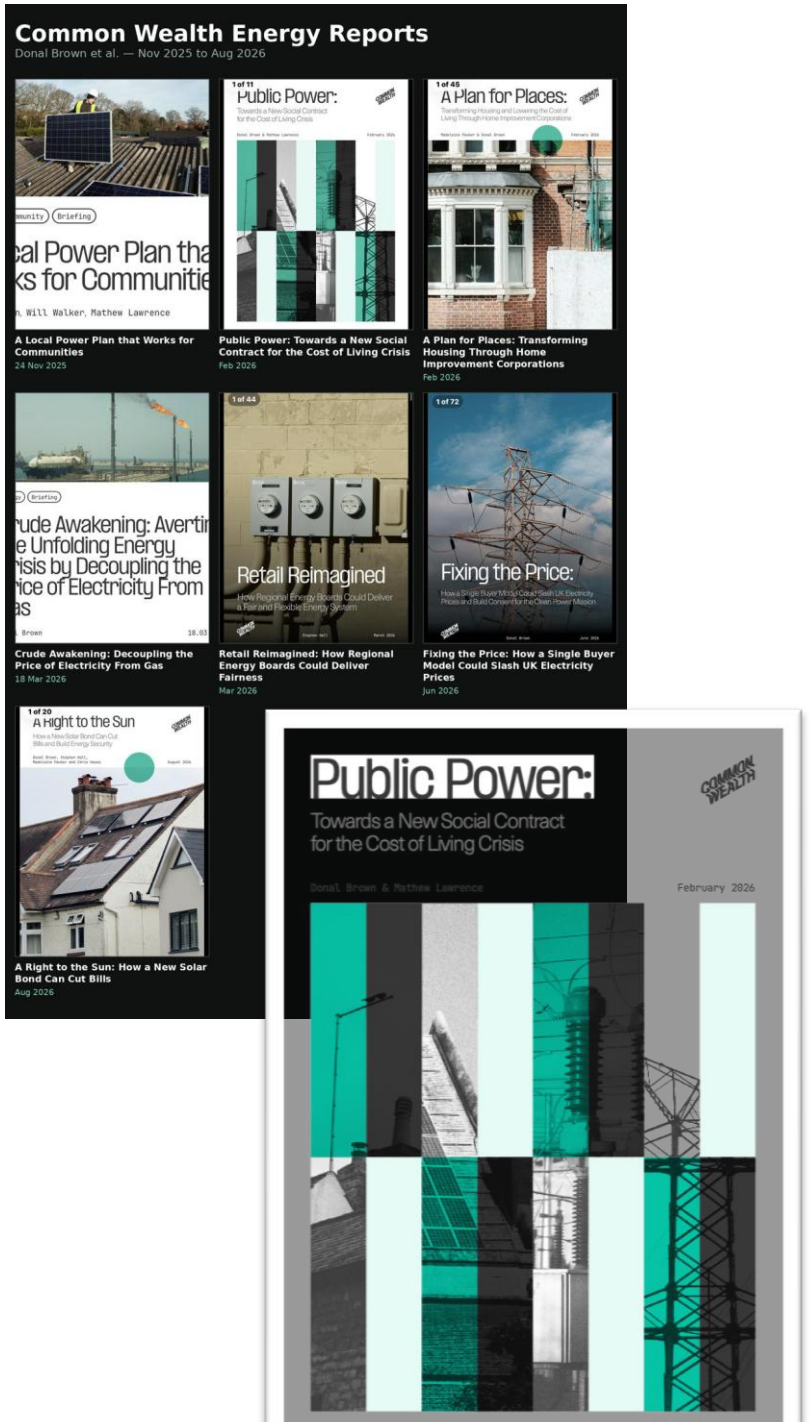


THE FIVE GIANTS

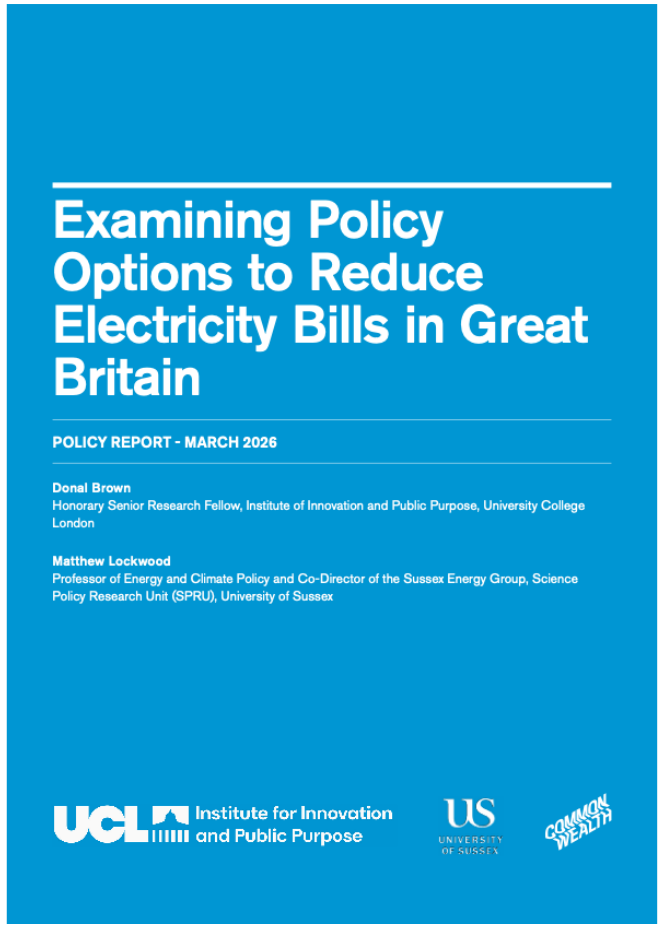
Danny Dorling **Shattered Nation** (Verso, 2023)

A low-carbon social contract

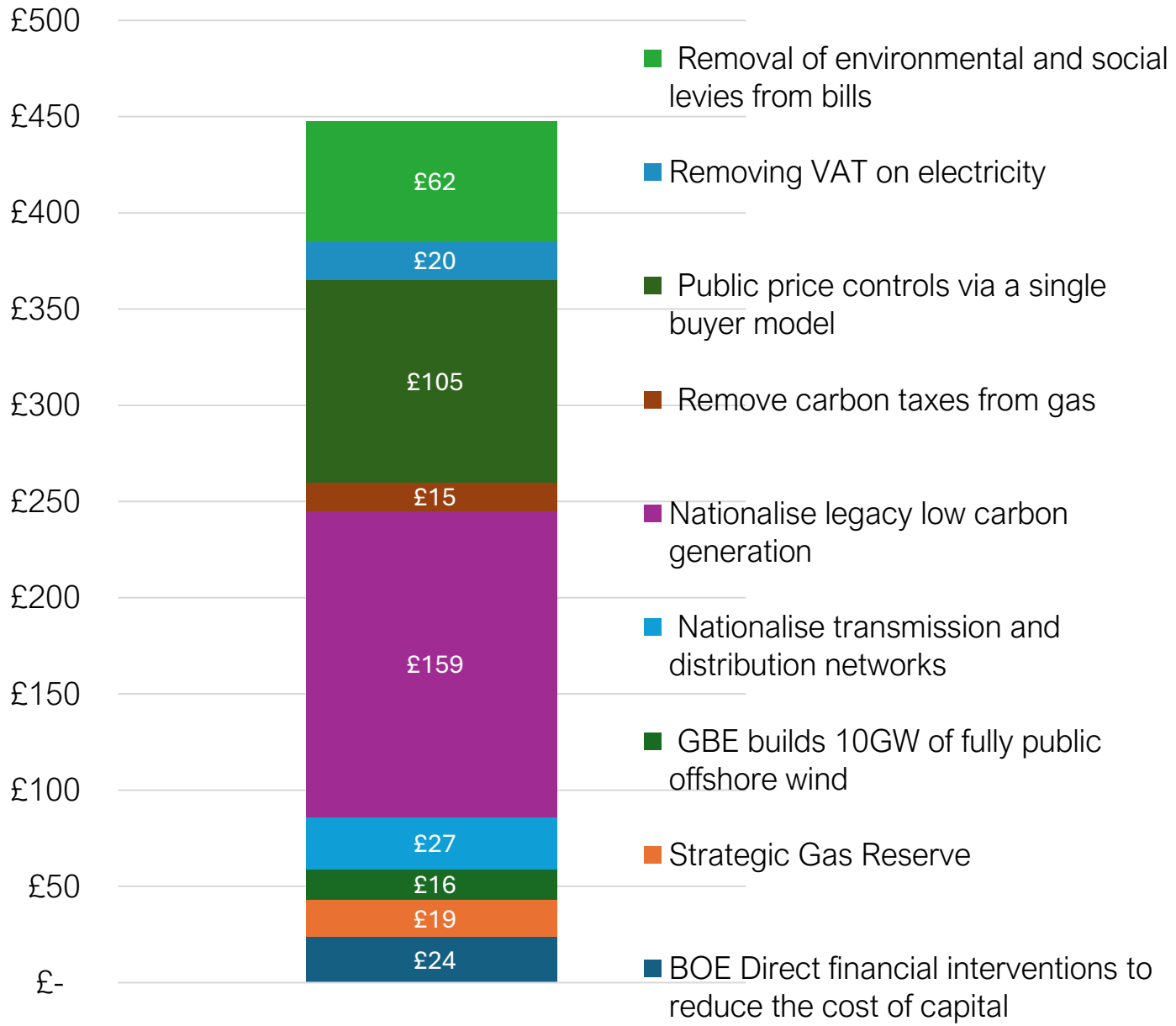
1. **Lower costs**: cost savings from the low carbon transition must be felt by British households and businesses in the near term.
2. **Universal energy security**: we must guarantee access to an affordable, warm home as a basic right.
3. **Better levels of service:** decarbonisation must reverse the decline in the foundational economy and public services, and deliver improved and widened access to quality housing, transport and energy services.
4. **Renewed local economies:** the economic benefits of the green revolution must be felt in all regions and nations, with a focus on community wealth, job creation, local firms and supply chains.
5. **Public ownership and control:** public ownership — an incredibly popular policy — with control and investment is the only way to fully realise the potential of the transition for ordinary families.



Reducing energy costs



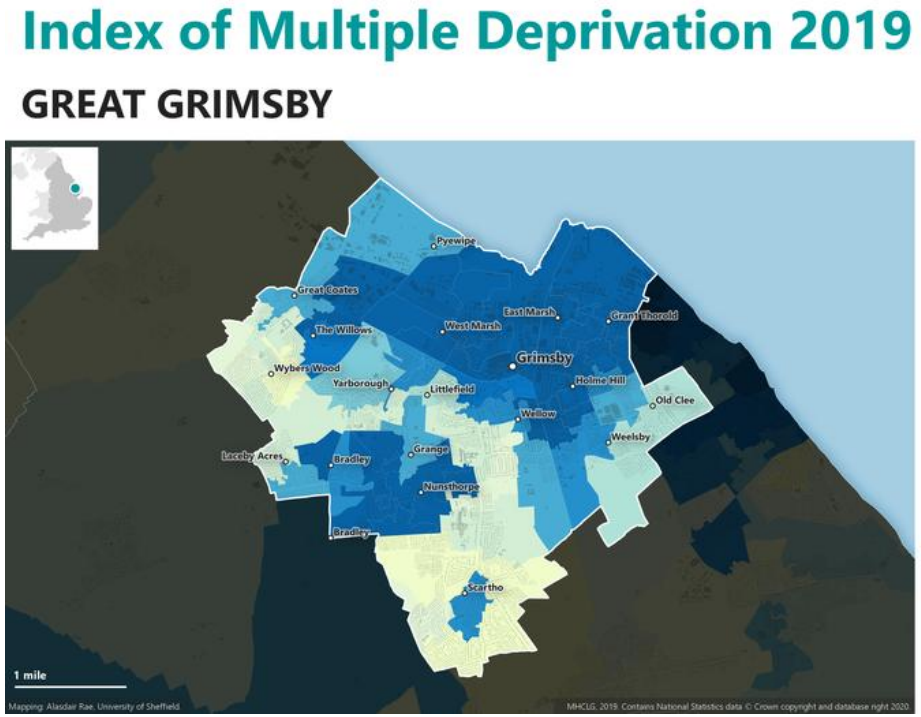
We reviewed over 20 policy proposals finding that in combination the most ambitious package could save households almost £450 a year

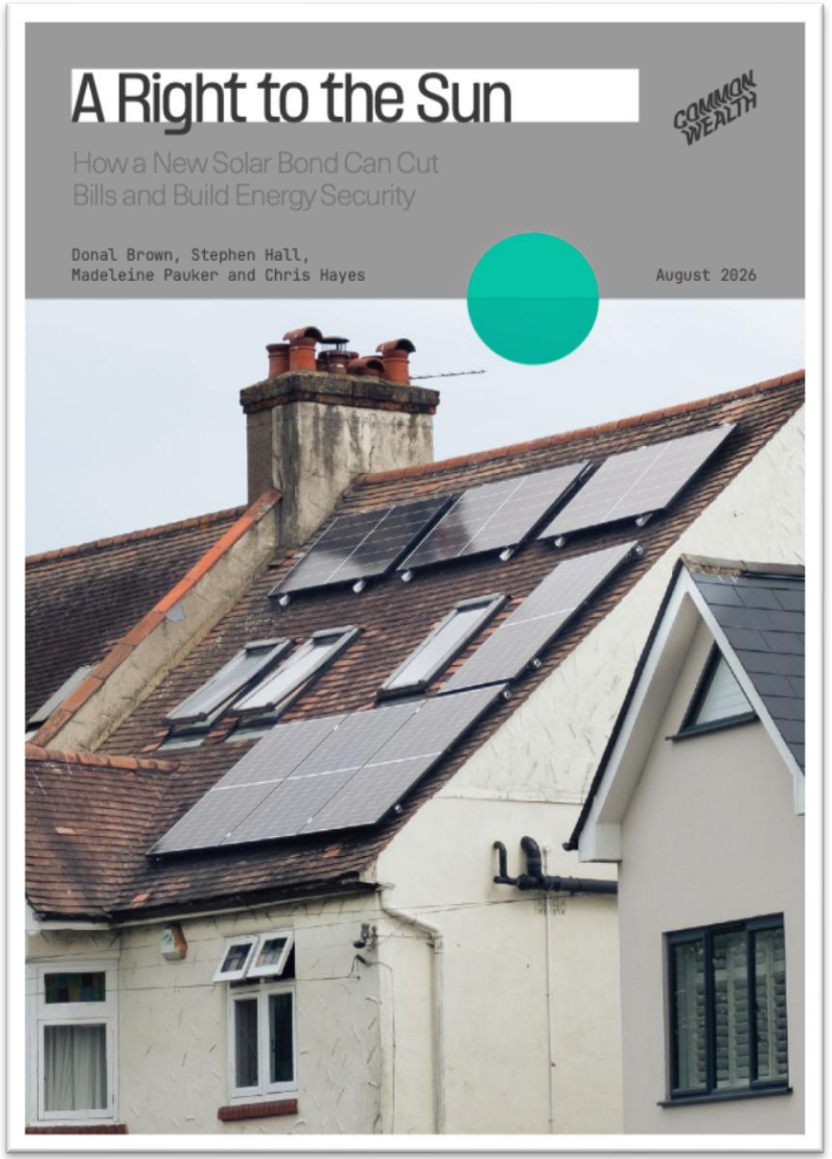


Decarbonising housing at scale

A Plan for Places: Raising homes to EPC C saves ~£350 on heating costs and reduces illnesses caused by cold and damp for low-income households



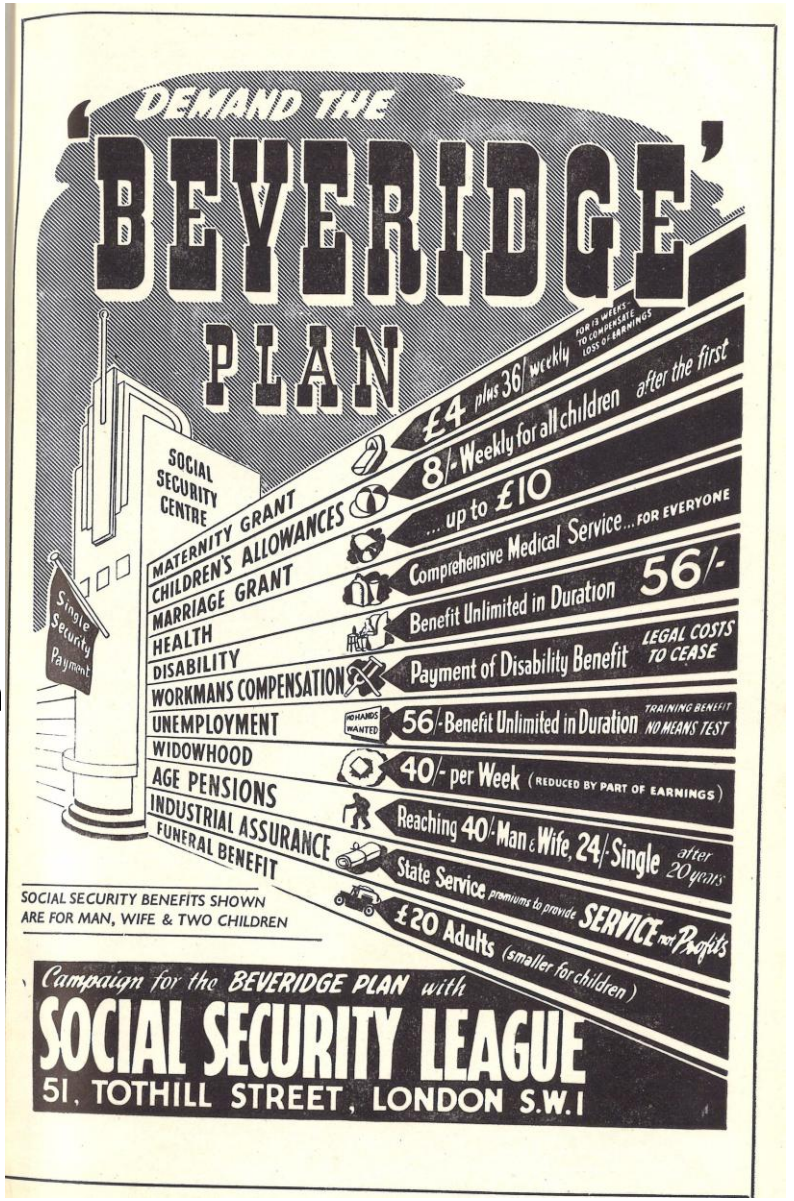




A Right to the Sun: A new solar bond — via an entitlement to rooftop solar, back by a green gilt— could deliver a rooftop revolution, cutting the cost of energy by over £250 for millions.

A new ‘low carbon social contract’?

- There are stark distributional and regional inequalities between communities ‘readiness’ for net zero
- Decades of rising costs of energy, housing and transport present a risk but also an opportunity for the net zero transition
- Currently, the populist right is exploiting this ‘cost of living crisis’ and blames net zero for these problems
- The current approach (and the wider policy strategy of the Labour party) is not likely to deliver reductions in the costs of these essential sectors
- Without a more radical strategy which addresses these costs and focusses on communities' livelihoods and lived experience net zero is in existential peril in the 2029 election
- This must overcome shibboleths surrounding public ownership and investment, and introduce “*progressive universalist principles”* in the provision of energy, housing and transport - **<u>a new ‘low carbon social contract</u>**’
- Implementing this strategy will require a radical departure from the macro-economic and fiscal consensus which has prevailed in the UK since the late 1970s



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