May 2026

A new industrial story

Crafting an effective narrative to unlock a global green transition



GLOBAL COOPERATION INSTITUTE

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About Global Cooperation Institute

The Global Cooperation Institute is a think tank based in Bogotá, Colombia, which works with partners to craft modern approaches to global cooperation in the 21st century, combining the best evidence with visionary theory to build compelling narratives and practical solutions. We help build groundbreaking new ideas, including Global Public Investment (GPI) and Circular Cooperation, based on mutual interest and ensuring human dignity and planetary sustainability. Our work is guided by three core values: the humility to learn, the courage to challenge, and the hope to inspire others.

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About this document

The Global Cooperation Institute's Green Industrial Policy Initiative (GRIP) supports Global South governments and other allies working to tackle the international barriers that constrain green industrial transformation in the Global South.

The Global Cooperation Institute's Public Good Narrative Project supports decision-makers and advocates to analyse how dominant stories drive the direction of policies, and how to craft and advance resonant narratives that can expand the boundaries of the possible and enable transformational policy shifts for the public good.

This report brings together these two streams, and is informed by experts working across both fields and beyond.

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Introduction: an extraordinary opportunity

The world can overcome the economic, social, and climate crisis, and enable global prosperity, security, and sustainability.

The core policy set that can secure this extraordinary opportunity is not a mystery that leaders need to cautiously ponder; it is a tested solution that leaders need to urgently scale.

The evidence is clear. Now is the moment for urgent and bold coordinated international action to supercharge green industrial policy – the use of public policy to shape the structure of the economy toward productive, low-carbon sectors while generating jobs, capabilities, and long-term resilience.

Unleashing the full potential of green industrial policy would provide a pathway for countries, particularly in the Global South, to move beyond extractive and low-value economic models toward more diversified, productive, and inclusive economies. Its successful implementation across countries would also expand balanced global demand and stabilise supply chains, reduce geopolitical tensions, and enable worldwide decarbonisation.

It would deliver a global "triple dividend": economic transformation, social inclusion, and climate security.

But despite strong evidence, the potential of green industrial policy is currently unfulfilled.

The key constraint is the international context in which these policies must operate. Global rules on finance, trade, and technology systematically raise costs, limit policy space, and hinder long-term investment, particularly in countries that most need structural transformation. As a result, green industrial policy is restricted to deliver only a fraction of its potential.

The constraints are not immovable. They can be lifted. The major multilateral financial and trade institutions, and the governments that direct them, can be pushed to remove the international barriers blocking green industrial transformation in the Global South.

Whilst the current unusually turbulent moment for the shaping of global politics and the global economy has exacerbated the polycrisis, it also opens up the possibility of positive transformative change.

The intellectual dominance of neoliberalism is creaking under the weight of successive crises. Financial instability, pandemic disruption, climate shocks, and geopolitical fragmentation have exposed the limits of a model that underinvests in productive capacity and collective resilience. Even institutions that embodied the old policy thinking are shifting. A recent World Bank report acknowledging the central role of industrial policy signals a

broader change in thinking: governments are not distortions to be minimised, but agents of transformation to be strengthened.

The rules that will frame the new era are not yet determined. The breakdown of the previous global order is creating space for new voices and coalitions. A more multipolar world, while less predictable, reduces the ability of any single bloc to define the rules unilaterally. For countries in the Global South, this opens a window to act with greater strategic confidence, individually and collectively, to shape the terms of the debate in ways that support development. They have a chance to move beyond defensive adaptation and advance a more ambitious agenda.

Enabling the international shifts needed for green industrial policy requires engagement on three levels: the technical level, the political level, and the narrative level. All three are essential.

- At the technical level, excellent work has been carried out by academics, think tanks and policy officials, some of which we summarise in this report, and which continues to develop.
- At the political level, Global South countries are taking an increasingly assertive and international coordinated approach in multilateral institutions. As we detailed recently in *The Afri–LAC Opportunity on Green Industrial Policy: A joint agenda for cooperation*, and note too in this report, this is helping to open up the possibility of advancing substantial international policy shifts.
- But Northern countries continue to block major change. And this is in part because at the narrative level, a major challenge remains. Indeed, it is the narrative level which advocates for green industrial policy have highlighted to us as the most difficult, and the one that has received the least attention and support up to now.

For this reason, it is the narrative level that this report focuses on. It sets out why fulfilling the global potential of green industrial policy is contingent on winning the narrative battle, and how it can be won. Section 1 lays out how international barriers obstruct green industrial policy implementation in the Global South. Section 2 shows how story shapes policy, and how harmful dominant narratives are reinforcing the barriers holding back progress. Section 3 suggests the key aspects of a renewed narrative which could help overcome these barriers. Section 4 sets out how the new narrative can be advanced and the policy progress it could enable.

This report draws on earlier work we carried out in developing the Public Good Narrative Project, synthesising it with insights highlighted by policy-makers and experts working on green industrial policy in roundtables and interviews, and with lessons from the wide range of superb academic, think tank and institutional research. We are hugely grateful for the guidance and encouragement of co-builders around the world. The purpose of the report is to contribute to that broad collective effort.

Conversations on the climate crisis are often, understandably, ones of alarm. Without contradiction, this report shares findings of hope: it argues that we have a window of opportunity; that green industrial policy can secure a shared, thriving, future; that the constraints to its realisation can be overcome.

This report makes that case that, together, we can write a new industrial story.

International barriers to green transformation

Across a wide and rapidly expanding body of research, a consistent diagnosis has emerged: the greatest constraint to green industrial policy in the Global South is not a lack of ambition, technical capacity, or policy ideas nationally, but the structure of the international economic system within which those policies must operate.

Three reports in particular help crystallise these insights into a coherent framework for understanding international barriers to green industrial policy. The G20 report *Removing International Obstacles to Sustainable Industrial Policy* provided the most systematic mapping of how global financial rules translate into an elevated cost of capital. It showed how sovereign risk premia, credit ratings, banking regulation, volatile capital flows, debt overhang, and conservative multilateral development bank practices interact to suppress long-term green investment. Crucially, it framed these constraints not as technical glitches but as the predictable outcomes of a system oriented toward liquidity, risk minimisation, and private capital discipline.

The Climate & Community Institute's *Green Industrial Policy Needs a New Financial Architecture* extended this analysis upstream, linking high borrowing costs to deeper questions of monetary power, liquidity access, and conditionality. It demonstrated how dependence on foreign-currency finance, exposure to volatile private capital, and the disciplining role of credit rating agencies and IMF programmes systematically limit fiscal space. This work reinforced the insight (also present in SEI, UNCTAD, and OECD analyses) that debt, liquidity, and conditionality are not peripheral concerns but central mechanisms through which the global system constrains green industrial ambition.

Ahumada and Chang's *A New International Economic Order for the Twenty-First Century* placed these financial constraints within a broader architecture of trade, investment, and geopolitical power. Their work clarified why similar industrial policies are tolerated or celebrated in advanced economies but treated as risks to be contained in the Global South. By foregrounding foreign-exchange constraints, investment treaties, ISDS, and limits on performance requirements, they connected finance, trade, and technology in a single political economy of constraint – one that restricts countries' ability to import green technologies, upgrade value chains, and plan long-term industrial transformation.

Work by the OECD, UNCTAD, SEI, IISD, Climate & Community, and others increasingly converges on the view that global rules governing finance, trade, and access to technology systematically raise costs, shorten time horizons, and discipline public action in ways that make long-term, capital-intensive green transformation exceptionally difficult for developing economies.

A further body of work, including UNCTAD and critical political economy scholarship, situates these financial constraints within a deeper pattern of structural asymmetry

between the Global North and Global South. Advanced economies retain the ability to finance industrial policy endogenously, deploy state-backed finance, and absorb risk through deep capital markets and reserve-currency status. Developing economies, by contrast, are exposed to market discipline, foreign-exchange constraints, and legal retaliation when they pursue similar strategies. Liberalised capital accounts, financialised FDI regimes, and restrictive trade and investment agreements narrow policy space and generate regulatory chill, discouraging governments from using tools that are routinely employed elsewhere.

Finance

Research on development finance and industrial strategy has documented how Global South countries face persistently higher costs of capital than advanced economies, even when fundamentals are strong. African solar and wind projects face some of the highest costs of capital in the world, despite African infrastructure lending having the lowest default rates globally.

High sovereign yields are transmitted economy-wide, raising borrowing costs for public investment, state-owned enterprises, and private firms alike (precisely in sectors such as clean energy, manufacturing, and infrastructure that require patient, long-term finance). This problem is compounded by distorted risk assessment practices, pro-cyclical capital flows, and conservative regulatory frameworks that privilege short-term financial stability over structural transformation.

Even when climate and development finance is available, it too often comes with conditions that do not match the realities of industrial upgrading and territorial transitions. Latin America and the Caribbean alone face climate financing needs of between $110 and $290 billion annually. Yet 93% of public development banks in the region, the institutions best placed to channel that finance, say they lack the long-term international funding to act on their ambitions.

At the same time, scholarship on debt, macroeconomic governance, and financial globalisation highlights how debt burdens and the absence of fair, predictable restructuring mechanisms crowd out green investment. Countries facing debt distress are pushed toward fiscal contraction and crisis management rather than forward-looking industrial strategies.

Africa received just 3% of global climate finance in 2020. This is not a gap. It is a chasm. Countries facing debt distress are pushed toward fiscal contraction and crisis management rather than forward-looking industrial strategies. The international imposition of austerity brought by such approaches chokes green industrial policy. It would be a win for the whole world to establish a debt restructuring mechanism that actually works.

IMF programmes and broader norms of macroeconomic “prudence” frequently reinforce this bias, prioritising short-term stabilisation targets over long-term productive investment

(even when such investment is central to climate mitigation, adaptation, and development objectives).

In the absence of the necessary financing, some in the Global South understandably fear that going green means sacrificing development. Unleashing the power of international financing to enable green industrialisation at scale would address these fears by demonstrating, in ways that people will see with their own eyes, the effectiveness of the green route to development

Trade

Trade and investment rules also limit the policy toolkit available to countries in the Global South precisely when flexibility is most needed to build domestic capabilities, nurture new industries, and manage a just transition. Research across UNCTAD, IISD, SEI, OECD, and critical political economy scholarship has long highlighted a key asymmetry: the policy tools historically used by today's advanced economies to industrialise are restricted or disciplined when deployed by poorer countries. WTO rules, modern free trade agreements, and investment treaties can limit the use of targeted subsidies, local content requirements, export conditions, technology-transfer obligations, and strategic public procurement. At the same time, investor–state dispute settlement (ISDS) mechanisms can expose governments to costly litigation when they strengthen environmental regulation, revise extractive contracts, or redirect incentives toward domestic value addition and green upgrading.

The rise of what has been termed "green protectionism" is intensifying these pressures. Measures such as the European Union's Carbon Border Adjustment Mechanism (CBAM) illustrate how international climate policies and trade policies are becoming increasingly intertwined in ways that obstruct important policy space for countries in the Global South. While presented as environmental measures, such mechanisms risk reproducing structural inequalities if they penalise exporters in developing economies without simultaneously providing the financing, technology transfer, and industrial support needed to decarbonise production. Countries dependent on carbon-intensive exports may face shrinking market access precisely when they require fiscal space and industrial investment to transition.

More broadly, emerging green trade regimes risk locking the Global South into subordinate positions within future value chains: exporting raw materials and importing higher-value manufactured technologies. Without deliberate policy space for upgrading, local processing, and industrial learning, the green transition could reproduce extractive patterns under a new ecological language.

At the same time, trade negotiations are proliferating in an increasingly fragmented and multipolar global economy. Competition for critical minerals, green supply chains, and strategic manufacturing capacity is intensifying bilateral pressure on developing countries to sign agreements that prioritise market access and investment protection over long-term industrial transformation. As ever, fragmented negotiating approaches deepen asymmetries and increase the risk of a race to the bottom among weaker economies.

Successful industrial transformation has never occurred through markets alone. Every country that industrialised successfully used some combination of subsidies, infant industry protection, strategic procurement, domestic-content rules, and active state coordination. Yet when countries in the Global South attempt to use these same tools today, they often face legal, financial, or diplomatic resistance. Overcoming trade constraints is central to whether the green transition becomes globally transformative or remains concentrated in a small number of already industrialised economies.

Technology

Finance and trade barriers then interact with a further barrier: unequal access to technology. It is this access which will determine whether green industrialisation in the Global South means genuine industrial transformation or a permanent dependence on importing equipment assembled elsewhere.

Intellectual property regimes, standards and certification requirements, and restricted access to know-how can slow learning and increase dependence on imported equipment and proprietary technologies. Currently, where technology transfer does occur, it is often confined to deployment or assembly rather than building deeper industrial capacity such as manufacturing, maintenance, upgrading, and innovation ecosystems. This constraint is preventing long-term value from being created. Liberalised capital accounts, financialised FDI regimes, and restrictive trade and investment agreements narrow policy space and generate regulatory chill.

Now is the time for compulsory licensing for green technologies. Six countries hold 80% of all patents on solar, wind and carbon capture. The G77 and China have already formally requested that green technologies be subject to compulsory licensing in UNFCCC negotiations. This is not a radical demand. It is the same logic that enabled developing countries to access affordable medicines in response to the HIV/AIDS crisis. Green technology is a public good. The safety of humanity depends on it being treated like one.

The shackles holding back green industrial policy can be unlocked. There is a global mutual interest in trade agreements that restore policy space. Every country that industrialised successfully used local content requirements, state subsidies and strategic procurement. When the WTO treats those same tools as illegal for the countries that need them most, it does not only hurt those countries, it hurts the whole world. We will all benefit from moving from scattered pilot initiatives to industrial scale-up.

International barriers require international reforms

Countries in the Global South have taken forward important work at the national level to advance green industrial policy. But international barriers require international reforms, and international institutions have continued to hang on to the rules and norms of the old era.

The evidence is clear on obstacles to green industrial policy: structurally high costs of capital; debt burdens and weak restructuring mechanisms; volatile capital flows; austerity-biased macroeconomic governance; conservative and under-capitalised development banking frameworks; legal constraints on policy space embedded in trade and investment rules; and foreign-exchange shortages that directly limit green industrialisation. Importantly, the literature also shows strong convergence on potential directions of reform: larger and more mission-oriented public development finance, greater legitimacy for capital flow management, reform of risk assessment practices, and recognition of green industrial policy as a global good rather than a market distortion.

There is no lack of expert technical work on key barriers including on conditionality and international financial architecture, green protectionism/CBAM, subsidies and standards, technology transfer and intellectual property. So too, legal and institutional foundations for change, on compulsory licensing, on debt restructuring, on trade rules, on development finance, have been developed. Across regions, governments across the Global South have set out what they could achieve through international support for the green transition: productive transformation measured jobs, diversification, new capabilities, and participation in emerging green value chains. Despite the volume of expert technical work on what is needed to enable global green industrial policy, it is held up politically through the perpetuation of international constraints. The central challenge is not a shortage of ideas, but the conditions under which those ideas can gain enough political traction to shift the rules and norms of international institutions.

At the political level, Global South countries are taking an increasingly assertive and international coordinated approach in multilateral institutions. Our recent report, *The Afri–LAC Opportunity on Green Industrial Policy: A joint agenda for cooperation*, highlighted the huge potential in the fact that Africa and LAC (Latin America and the Caribbean), which have long shared values and interests, are deepening their collaboration. It shared how, in doing so, they have started to lay a pathway to build collective agency in a fragmented world. And it set out some of the ways in which this coordination can be bolstered, including through practical mechanisms to uphold collective positions, including agreed red lines and support systems for countries under pressure.

The growing strength of ties between Global South countries and regions represents an opportunity not only to deepen South–South cooperation, but to reorient global systems. Their intensified coordination in engagement in multilateral institutions is helping to open up the possibility of advancing substantial policy shifts.

Progress continues to be held up, however, as Northern countries stymie proposals that would enable the realisation of green industrial policy across the world at the scale that is required.

Partners have told us repeatedly that developing a resonant shared narrative is a vital component for unblocking international reforms. Drawing on a body of thinking about public

purpose, mutual interest, and collective action, we now turn to why the transformative opportunity of global green industrial policy is contingent on winning the narrative battle.

How narratives shape outcomes

Narrative is not a cosmetic layer added after solutions are designed; it is the terrain on which battles are won or lost.

Many green industrial policy advocates have shared with us that the narrative level is one that they are most keen to strengthen, because it is the one they find most challenging, and because the current global political moment particularly demonstrates that winning on narrative is a crucial element for success.

Green industrial transformation cannot be secured by one single magic bullet policy. (As elaborated in the last section, the term green industrial *policy* is a shorthand for a *set* of policies.) A wave of policy shifts are needed, all requiring detailed technical development and hard-won political engagement, sustained over a period, maintaining momentum in the face of attacks. Without a winning narrative, progress on even the best proposals will keep faltering, collapsing under the weight of harmful frames.

Narratives are not spin; they are worldmaking. They shape:

- What policymakers feel permitted to propose, without incurring reputational or political costs.
- What institutions feel responsible for addressing, rather than treating as outside their remit.
- What the public and media see as normal or controversial, inevitable or negotiable.
- Which coalitions can form, and which alliances appear implausible or contradictory.

A Global Cooperation Institute's Public Good Narrative project has demonstrated, "policies never land in a vacuum; they emerge in a world of stories about what is possible, desirable, and fair... Narrative shapes the conditions that share the policies that shape the world".

A shift in framing does not deliver just one reform; it changes the conditions under which many reforms become possible. Equally, when dominant frames go unchallenged, proposals for reform fail to travel, and fragmented advocacy efforts cancel each other out.

The need is both to identify and understand dominant narratives and to overcome them with alternative narratives that are politically credible, grounded in evidence, and resonant across audiences.

The Public Good Narrative Project has set out a framework for how dominant narratives constrain policy progress: "Harmful stories are currently dominating. These fatalistic frames shape the global conversation and constrain policy ambition, weakening public purpose and shrinking the space for collective action. Part of their power lies in invisibility: they have become like the air we breathe or the water fish swim in. For many, they have come to feel

like common sense. To change course, we need to recognise and name the narratives which now hold sway, so that they can be disrupted and displaced."

Countering those requires the building of new narratives which are "principled and pragmatic, connect with diverse audiences, provide legitimacy for ambitious policies, and give leaders the political space to act… resonate emotionally as well as technically, inspiring as well as guiding."

Narrative lessons from history

History shows clearly that shifts in narrative have repeatedly enabled major policy transformations, for better and for worse. Narratives do not simply accompany change; they create the conditions under which change becomes possible, legitimate, and politically sustainable.

In the decades following 1945, a narrative of collective provision and shared security reshaped both domestic and international policy: governments were positioned as legitimate and vital agents of economic and social transformation, and cooperation was framed as essential to peace and prosperity. This powerful shared story enabled the construction of welfare states across Europe and developmental states in the Global South, the rapid expansion of public health and education systems, and the creation of multilateral institutions including the United Nations and development banks. The results were profound: rising literacy, falling child mortality, and sustained economic growth. The key point is not only that these policies worked, but that they became politically possible because a narrative of public purpose made them appear both necessary and achievable.

So too, the late twentieth and early twenty-first centuries demonstrate how shifts in narrative can constrain and reverse progress. From the 1980s onwards, the rise of neoliberalism was not simply a set of policy prescriptions but a powerful story: markets were portrayed as efficient, states as inefficient, and fiscal restraint as unavoidable. This narrative of "market inevitability" framed austerity, privatisation, and deregulation as realism rather than ideology. It shaped structural adjustment programmes across Africa and Latin America, weakened developmental states, and narrowed the policy space available to governments. As scholars such as Thandika Mkandawire argued, the narrative itself did much of the work, embedding a sense that alternatives were either impossible or irresponsible. In more recent times, the rise of exclusionary narratives has further undermined solidarity, nationally and globally.

The broader lesson is consistent across contexts: narrative victories compound, and so do narrative losses. When a narrative establishes that collective action is legitimate and effective, it opens space for multiple reinforcing reforms. When dominant narratives frame ambition as unrealistic or cooperation as unnecessary, even well-designed policies struggle to gain traction. In this sense, the struggle over narrative is not secondary to policy. It is foundational. The past demonstrates that changing the story changes the trajectory.

Harmful dominant narratives hold back progress

Underpinning the international policy barriers obstructing green industrial policy are narratives used to justify them, narratives that have become so dominant that they masquerade as "common sense". Powerful, entrenched stories – framing how people view states, financing, markets, competition, development, and responsibility – continue to shape global debates and global possibilities.

The three stories which dominate the public discourse on policy today – narratives which we have labelled entropy, private takeover and "just look after our own" – all have the effect of reinforcing the international barriers to green industrial policy.

Entropy

The entropy narrative frames fiscal scarcity as not a political choice but a natural law. It treats fiscal constraints as immutable facts, not outcomes of policy or power. The effect is to write off ambition in international cooperation, relegating governments to damage control and citizens to resignation. When policy is considered through this frame, then both financing and policy space will continue to be too tightly constrained to succeed. To enable green industrial policy, there is a need to break through the false notion that it is impossible to scale up resourcing or reform rules.

Private takeover

The private takeover narrative frames public financing and public institutions as old fashioned. The state is recast as residual. Public purpose is hollowed out, replaced by the assumption that private actors are inherently more dynamic, innovative, and efficient. When policy is considered through this frame, public institutions cannot get the support they require. To enable green industrial policy, there is a need to break through the false notions that private lenders can replace the role of public ones, that private entities can be relied on for public goods, and that public institutions are outdated and incapable.

"Just look after our own"

The "Just look after our own" narrative frames the scaling back of international cooperation as necessary for countries to care for their own citizens, especially in times of scarcity. When policy is considered through this frame, any expansion of international financing or removal of policy constraints on Southern countries will be perceived by Northern countries as sacrificing their own citizens' interests. To enable green industrial policy, there is a need to break through the false notion that Northern countries' interests are served by pulling back from international cooperation.

Across countries and regions, polling consistently shows that public attitudes toward economic transformation, climate action, and international cooperation are ambivalent and conditional. Support for climate action, public investment, and state intervention is fragile – particularly when these agendas are framed as costly, externally imposed, or in tension with national economic security. This is especially true in periods of economic anxiety and geopolitical instability, when zero-sum narratives gain traction

When green industrial policy is framed as distortionary, protectionist, or exceptional, every concrete proposal must fight uphill – defending its legitimacy before it can even be discussed on its merits. In this environment, reforms stall, ambition is diluted, and responsibility is pushed back onto national governments alone.

Narratives perpetuating ideas of fiscal immutability, private sector primacy, and defensive nationalism all act to limit the scope for public investment and international cooperation. Reshaping the interpretive environment in which policy choices are made is essential to creating the conditions for sustained progress.

What is the new narrative?

So, what could a new narrative look like? The narrative set out here builds on the three core frames from the Public Good Narrative Project research, applying them to the particularities of enabling global green industrial policy.

First, it frames cooperation as in everyone's interest; and so makes the case that removing international barriers to green industrial policy is in the interest the whole world, North and South.

Second it frames international cooperation on green transformation as making a difference to people's everyday lives, fast; and so emphasises the gains from green industrial policy in terms of energy, transport, and jobs, even ahead of highlighting the vital ecological gains.

Third, it frames that a shockingly good future is winnable; and so tells the story of global green industrial policy not only as avoiding disaster but as securing a momentous advance.

1. **It is in our shared interest to remake the rules**

In today's political climate, narratives that rest solely on morality or compassion struggle to hold up under pressure. Appeals to "do the right thing" can inspire, but if not combined with appeals to people's interests they are too easily caricatured as naïve or as burdensome distractions from domestic concerns.

The point is not to drop moral claims. They mobilise faith communities and grassroots networks, and they confer legitimacy on international cooperation. The point is to reinforce the power of the moral case with the complementary argument of mutual interest.

To be persuasive, there is a need to show how ethics and interests align – why cooperation is not only the ethical choice but the smart one. International cooperation is most durable when framed as mutual problem-solving rather than redistribution or charity, and when policies are framed as delivering shared benefits. There is a need to shift the narrative lens decisively away from zero-sum to win-win. In a world of inseparable interconnectedness, both the gravest risks and the greatest opportunities are borderless, and solidarity is good for everyone.

The narrative needs to frame successful green industrialisation in the Global South as in the interest of all because it is essential for securing shared global outcomes including:

- Climate safety, by accelerating the global transition and reducing the costs and risks of delayed action.
- Economic security and opportunity, by supporting diversified growth, more balanced global demand, and reduced exposure to supply-chain shocks.

- Social and political stability, by protecting livelihoods and broadening prosperity, reducing the drivers of forced migration, conflict, and humanitarian crises.

This positions Northern backing for international investments and reforms in support of green industrial policy in the Global South not as charity or concession, but as a rational response to interconnectedness. The narrative shift from competition to interdependence, and from exceptionalism to normalisation, makes enabling global green industrial transformation a standard, responsible component of global economic strategy.

This reframe provides the necessary narrative basis for challenging the international rules which are obstructing green industrial transformation in the Global South.

Currently, in the dominant discourse, those rules are being portrayed as natural, neutral and necessary, and any suggestion of reforming them is being framed as distortionary and harmful, forcing each proposal into a defence its legitimacy before it can even be considered. The minimising of the damaging impact of global rules has meant that in the dominant global discourse the constraints on green industrial policy have all been framed as being as national level: insufficient capacity, weak institutions, poor policy choices, or lack of political will. While domestic factors matter, this framing has obscured the critical reality that many of the most binding constraints on green industrial policy are international.

Attention needs to be directed to the role that international barriers – on finance, trade and technology – play in holding back green industrial transformation across the world, shifting how responsibility for success or failure is understood. Finance terms, debt overhangs, trade rules, intellectual property regimes, risk perceptions, and institutional mandates all shape what governments can realistically do. Even the most capable and committed leaders face a global architecture that was not designed to support large-scale green industrial transformation – and in some cases actively constrains it. In short, it needs to be highlighted that the Global South is not holding back on green transformation but *being held* back. Narrative reframing can bring these international barriers to the foreground, make more visible how outcomes are co-produced by national and international systems, and show how responsibility for enabling transformation is therefore shared. As these constraints are not immutable, they can be lifted if sufficient political can be built.

Action to address these barriers to unleash green transformation in the Global South, it needs to be emphasised, will not only be good for the Global South but good for the Global North too. On financing, when it is felt viscerally that the money needs to be found not because "*they* need it" but because "*we all* need it to be done" then the conversation about what is "affordable" dramatically shifts. A winning narrative will make clear that what lender countries can't afford are the consequences of a world without a rapid upscaling of green industrial policy, and will shift the focus from global green industrial policy's price tag to the *much larger* positive payoff for the whole world, framing global green transformation as the best investment money can buy. It will make clear that lifting constraints on the levels of international financing and on policy options for countries accessing financing, and

unlocking international policies on trade and technology transfer, will enable ecological and social safety and economic prosperity for every country. Transformative policies will be recognised as legitimate, necessary, and possible when they are recognised as beneficial for whole world.

2. International cooperation on green transformation will make a difference

History shows that when governments work together in pursuit of public purpose, astounding social progress is realised. Today, technological advancements provide us with a greater opportunity to build economies that meet people's needs than we have ever had – if we can match the progress that has been made in science with progress in policy.

People need to be reminded that challenging times are what governments is made for. Especially in a crisis, coordinated public action is the only way to meet people's needs. By pooling resources and applying them to social priorities, public systems can achieve what neither markets nor philanthropy can. Rebuilding a sense of ambition about public action is key to securing support for upscaling green industrial policy.

One of the most corrosive myths in politics today is the belief that public policy and international cooperation do not "deliver". This narrative has become a powerful tool for those who seek to delegitimise collective action and shrink the role of government.

The narrative needs to convey not only that green industrial policy is "right" but that green industrial policy *works*. Success stories provide the basis for people's confidence. Highlighting the difference that green industrial policy is already making, even whilst constrained, is essential for making the case for expanding it. To counter the myth of non-delivery of international public policy cooperation, there is a need to foreground stories of effectiveness, backed by independent evidence, and make visible the transformative power of the public realm. Green industrial policy is already providing millions of people with access to affordable energy, public transport, and jobs. These are not abstract ideals, they are the tangible outcomes of public systems at work. Describing – and showing – their impact can inspire publics to back scaling them up.

There is a tendency amongst some advocates for green transformation to reference being driven by obligations to "our grandchildren". Whilst valid, to secure the necessary support for bold action now the case cannot appear to be limited to what it will deliver "in the long run". It is vital to show that international support for green industrial policy will not only secure a viable future for coming generations but will make a visible difference fast.

The gains of green industrial transformation are not only environmental, and if the story is understood by people as only an environmental one it will not secure the political support it needs. The political traction for transformation will comes from people believing in its ability to deliver palpable improvements to them. In conveying the benefits of green industrial policy for people and planet, the first mention should be of people. The benefits should be described in the most concrete ways so that people can picture them in their minds and can

have confidence that they will see with their own eyes. To craft a narrative that highlights positive practical and rapid differences in people's everyday lives is not in any way to resile from vital climate goals, it is a key part of how advocates can ensure that those goals are met.

The narrative needs to emphasise that it is within our grasp to provide everyone with the energy they need at reliable prices they can afford, and to provide public transport and public infrastructure that is convenient, safe and dignified for all – and that doing so will generate a new wave of good jobs and strengthen social inclusion and stability. By placing economic transformation at the centre, green industrial policy becomes not only environmentally necessary, but politically and economically compelling.

3. A shockingly good future can be won

Our age of crisis is fuelling a spirit of despair. This despair is undermining people's receptiveness to ambitious calls to action like green industrial transformation. History shows how the hope that comes from seeing opportunity amidst crisis enables transformative change. After World War II, amid the literal rubble of conflict, governments built welfare states, the United Nations, and multilateral finance institutions. The climate, economic and social crisis of today needs to be narrated not as an ending but as an opening: a chance to rebuild fiscal compacts, redesign institutions, and anchor cooperation in interdependence; a chance to build a green industrial future that ensures sustainability, prosperity and security for everyone.

For the potential of green industrial transformation to be realised, the extent of that potential needs a central place in the political and public imagination. Too often, green industrialisation is misunderstood as a combination of some painful surgery of decarbonisation plus some pain relief of programmes to dampen unrest. This misperception massively undervalues what green industrial policy can achieve, at a time when caution, not ambition, is the greatest danger.

It is not the case that the only transitions possible will worsen the lives of ordinary people, nor that the best that can be hoped for is managing pain. Instead, green industrial policy provides an opportunity for economic transformation and social inclusion across the world.

Twenty-first century industrialisation's benefits for people can exceed those of twentieth century industrialisation. Whereas the fossil fuel industrialisation of the twentieth century was defined by inequalities, the green industrialisation of the twenty-first century can have equality at its heart. Whereas twentieth century industrialisation was symbolised by the costly private petrol car stuck in traffic, twenty-first century industrialisation can mean free public electric buses on which all ride side by side and reach their destination on time. Whereas twentieth century industrialisation powered one part of the world at the expense of the rest, and drove competition and conflict over scarcity, twenty-first century industrialisation can lift up every part of the world, and drive global cooperation in research and development of technologies in the mutual interests of everyone. Whereas twentieth

century dirty industrialisation proceeded by degrading the environment on which life depends, twenty-first century green industrialisation can protect natural resources for the benefit of all.

This is the triple prize: shared prosperity, shared social stability, and shared climate safety, for everyone. Effectively conveying that prize is one of the essential conditions for maintaining momentum and building the base of support needed to win.

Just as leaders built a world after World War II that was better than the world which preceded it, so too green industrial policy can enable us to build a world better than the world we have now. And crucially, just as the work of describing that post-war transformation was seen as essential even as the war raged, so too now, even as we battle to *save* the world, it is vital to tell the story of the *better* world. Put simply: a story that if we struggle really hard we just might survive is not a story that will take us to political victory for green transformation. People need to hear how we can *thrive*.

A hopeful narrative bridges from hardship to agency, without denying pain or difficulty. It reminds people that determined societies can rebuild from rubble and create something better. As Rebecca Solnit has argued, hope is a discipline: it sustains movements and legitimises risk-taking. It is not naïve optimism – it is political energy. Without hope, entropy wins, publics turn inward, leaders shy away from ambition, and politics collapses into a cycle of despair and minimalism. With hope, publics and leaders can find the courage to attempt transformative change.

The hopeful story about global green transformation is also the true one. As economist Isabella Weber remarked in response to polling showing voters want elected officials to address the cost of living and climate change together: “Voters think they can have it all: an affordable life and a livable planet. They are right.”

Green industrial policy is indeed rare in being a product that is much better than it is often advertised. Its potential is not the mere management of misery but the unleashing of extraordinary opportunity. We need to let the world know that a shockingly good future can be won.

What next? Advancing a new story together

Narratives do not shift on their own. Even when new stories emerge, they only take root when carried by trusted voices and reinforced through wide, repeated, consistent use. If harmful frames of entropy, private takeover, and narrow self-interest are to be displaced, leaders and organisations need to be equipped with the capacity to tell a different story. The task is not simply to craft a more compelling story, but to equip story-tellers across institutions and societies.

The current ecosystem of actors, initiatives, and functions related to green industrial policy and productive transformation is rich in expertise. Strong intellectual critiques of extractivism and proposals for productive transformation have been developed by institutions and scholars – particularly within critical political economy traditions from the Global South. Important specific policy constraints – trade rules, intellectual property, subsidies, finance, and debt – are being spotlighted by experts and issue-specific campaigns. Important work is underway to strengthen advocacy coordination between regions.

Without narrative support, however, the reach of the argument for global policy reforms to enable green industrial policy will remain limited to specialised audiences.

Across our range of consultations, a strong consensus emerged from respondents that advancing green industrial policy today requires a strengthening of coordination on synthesis, framing, and political usability.

Narrative support, coordinated across regions, is key to reshape the political debate, the media conversation, and the direction of travel of multilateral institutions. It will help undergird Global South countries' positioning in multilateral discussions, and help to widen support for change (and soften opposition) inside the Global North. It is an essential part of the connective tissue.

Currently the dominant narratives shaping global rules are ones that constrain not enable. They perpetuate the false story in which structural barriers holding back green industrial policy are framed as natural and fixed rather than as political choices that can and should be changed.

In consequence, when Global South governments pursue ambitious industrial strategies, they confront resistance from lenders, markets, or international institutions, and lack access to rapid, strong, collective backing.

Segmentation of conversations still separates economists from diplomats, civil society from business, national policymakers from global advocates. Advocates highlighted the need for connective platforms that bring these actors together around concrete political questions,

enabling coordination, trust-building, and alignment across regions and sectors. Without such spaces, even strong national efforts struggle to influence international rules and institutions.

Experience from initiatives outside of green industrial policy provide useful learnings. The Global Commission on HIV and the Law, the Lancet Commissions, and the Global Commission on Adaptation illustrate how narrative, evidence, and political strategy can be integrated. These efforts combine authoritative analysis with compelling communications and targeted engagement of governments, UN agencies, and civil society, enabling framing shifts that translate into policy change. Groups such as The Elders, the Club de Madrid, and the IPPR Pandemic Preparedness Panel show how eminent figures can generate legitimacy, narrative authority, and political access, while remaining flexible and responsive. Their influence derives less from formal mandates and more from esteem, convening power, and disciplined messaging. Equipping such voices helps to convey that this as an agenda that goes beyond any partisan political position and beyond any one part of the world, a call to action that can secure broad support because it is backed by a broad range of trusted champions.

Analyses of successful narrative shifts in other domains – such as debt relief, global health financing, and social protection – shows that change rarely comes from a single message, speech, or report. It emerges through repeated reinforcement across actors, institutions, and moments, combining credible messengers, shared language, and strategic timing. The impact of narrative use is cumulative: regular interventions across different platforms can begin to normalise new assumptions. The point is not to impose a uniform script but to enable diverse actors to articulate overlapping themes. This fosters an ecosystem of voices, each adapted to its own context, reinforcing the shared core story.

Concretely, this means:

- Equip leaders and influencers – accompany heads of state, ministers, parliamentarians, mayors, and community organisers, providing tailored framing guidance, language options, and illustrative stories that enable them to articulate the arguments in their own contexts.
- Support civil society and grassroots actors – assist NGOs, unions, youth groups, and faith communities to make effective use of narrative, ensuring they can contest dominant frames in everyday debate as well as in global forums.
- Engage diverse messengers – encourage business figures, security voices, and faith leaders to use the language of mutual interest and cooperation, building cross-ideological and cross-geographical legitimacy.
- Create shared narrative resources – develop repositories of tested messages, visual assets, and case studies that can be adapted across geographies and political traditions.
- Normalise through repetition – encourage consistent use across communications, recognising that cumulative reinforcement is what transforms alternative frames into common sense.

Resourcing narrative actors is an essential condition for change. Without it, even the most technically sound policy reforms risk being outflanked by entrenched fatalism or narrow nationalism. With it, a wave of transformative policy becomes achievable. Now is the time for champions – in both the Global South and in the Global North – to be supported to change the story together: to convey how shifting global rules on finance, trade, and technology to enable a green transition is in everyone's interest, will make a difference in people's lives, and can ensure that a shockingly good future is won.

Global green industrial policy, unlocked

Narrative is not an alternative to work on policy; it is, rather, a vital condition for work on policy to succeed. The current period of geopolitical flux creates possibilities for reframing the global rules crucial for green industrial policy. A winning narrative will provide the space needed for shifts in policy including but not limited to:

- Scaling up multilateral development banks' concessional lending for green industrial policy.
- Lowering of the cost of capital for green industrial policy.
- Reform of policy conditionalities for countries accessing financing for green industrial policy to remove constraints that are hampering effectiveness.
- Reform of the process of negotiating loan agreements to strengthen borrower voice.
- Reform of the governance of multilateral development banks to strengthen developing country voice.
- Pausing repayments from current unaffordable loans, and restructuring those loans.
- Action by lender country governments to oblige private lenders to participate in the pausing and restructuring of current unaffordable loans.

Progress in policy implementation will, in turn, enable a virtuous cycle in which the effectiveness of those policies reinforces belief in the story that made them possible.

If successful, this effort would not look like a single campaign but like a shift in common sense, and a transformation in the lives of people across the world.

The case for tackling the international barriers to green industrial policy in the Global South is one of global shared interest. In a world defined by interdependence, a more industrialised, diversified, and resilient Global South contributes directly to global stability: expanding balanced demand, strengthening supply chains, reducing exposure to shocks, and enabling the clean energy transition. It also helps address the underlying drivers of conflict, fragility, and forced migration.

This a moment to shift from the outdated zero-sum view of industrialisation to one in which broader participation strengthens the entire system. The opportunity now is to construct a new consensus—one that recognises that enabling economic transformation in the Global South is not a concession by the North, but a strategic investment in shared prosperity, resilience, and long-term stability.

As long as green industrial policy in the Global South is misunderstood, treated as exceptional, or framed as a threat, even the best policy ideas will struggle to gain traction.

A resonant narrative can shows removing international barriers to green industrial policy is in the interests of the whole world; that international cooperation on green transformation will make a difference to people's everyday lives; and that the impact of global green industrial policy is not limited to avoiding disaster but is a way to secure a shockingly good future.

Narrative framing is not about messaging for its own sake, but about reshaping the interpretive environment in which policy choices are made.

A narrative shift cannot be achieved by any single organisation or sector alone. It can only come about when a broad range of champions – governments, researchers, advocates, journalists, and institutions – are connected through framing that allows their own work to travel further, land harder, and reinforce one another. Aligning narratives will enable coherence between trade demands, financing proposals, and technology agendas, reinforcing collective credibility and negotiating power.

Investing and collaborating deliberately in narrative is key to securing an enabling environment in which policy innovation, coalition-building, and institutional change can reinforce one another over time, sustaining a virtuous cycle of success.

Green industrial policy offers the world an extraordinary opportunity: Shared prosperity, shared social stability, shared climate safety, in all of our interests.

Together we can write a winning story.

ANNEX: Findings from the literature analysis, review of initiatives and expert consultations which fed into this report

Literature analysis

Alongside the substantive literature on green industrial policy and international economic constraints, our team has reviewed polling, narrative research, and political communications analysis conducted across multiple policy domains. This body of work has been critical in informing our emphasis on narrative framing as a central lever for durable change.

When green industrial policy is framed as distortionary, protectionist, or exceptional, every concrete proposal must fight uphill – defending its legitimacy before it can even be discussed on its merits. In this environment, reforms stall, ambition is diluted, and responsibility is pushed back onto national governments alone.

Conversely, when green industrial policy is framed as strategic, necessary, and aligned with shared global interests, multiple policy pathways open: on finance, trade, debt, technology, and institutional mandates.

Across countries and regions, polling consistently shows that public attitudes toward economic transformation, climate action, and international cooperation are more ambivalent and conditional than is often assumed in policy circles. Support for climate action, public investment, and state intervention tends to be high in principle, but fragile in practice – particularly when these agendas are framed as costly, externally imposed, or in tension with national economic security. Conversely, support increases markedly when policies are framed as delivering shared benefits: jobs, resilience, fairness, and stability.

Narrative research from climate, social protection, health, and development fields points to a recurring pattern: technocratic or moralistic arguments alone rarely mobilise sustained support. Messages that emphasise efficiency, market correction, or abstract global responsibility often underperform. By contrast, frames that foreground collective provision, mutual interest, protection against shared risks, and tangible benefits to everyday life prove more resilient across political divides. This is especially true in periods of economic anxiety and geopolitical instability.

A key insight from this literature is that narratives shape what is politically imaginable before they shape what is politically negotiable. Where dominant narratives portray industrial policy as distortionary, protectionist, or exceptional – particularly when pursued by the Global South – policy debates become defensive and constrained. Governments are pushed to justify ambition rather than to design it. Conversely, when industrial policy is framed as a normal, responsible response to climate risk, development needs, and global instability, the range of acceptable policy options expands.

Importantly, narrative research also highlights that international cooperation is most durable when framed as mutual problem-solving rather than redistribution or charity. This insight directly informs our emphasis on green industrial policy in the Global South as a global good: delivering climate mitigation, economic stability, poverty reduction, and reduced systemic risk that benefit all regions, including the Global North.

Analysis of successful narrative shifts in other domains – such as debt relief, global health financing, and social protection – shows that change rarely comes from a single message or report. It emerges through repeated reinforcement across actors, institutions, and moments, combining credible messengers, shared language, and strategic timing.

Underpinning the international policy barriers obstructing green industrial policy are narratives used to justify them, narratives that have become so dominant that they masquerade as "common sense". Powerful, entrenched stories – framing how people view states, financing, markets, competition, development, and responsibility – continue to shape global debates and global possibilities.

Winning on narrative is not ancillary to policy change, but foundational to it. By reshaping how green industrial policy is understood – who it is for, why it matters, and whose interests it serves – we can create a political environment in which multiple, diverse policy reforms can advance more easily, more coherently, and with greater legitimacy.

Comparable initiatives in other sectors

We analysed a range of high-impact international initiatives across peace, climate, health, development cooperation, trade, and global governance to understand how durable influence is built in complex multilateral environments. These initiatives were not reviewed for their substantive policy positions, but for their organisational models, political strategies, and modes of influence.

Several initiatives demonstrate the power of a small, credible core of leaders or experts, combined with much wider ecosystem engagement. Groups such as The Elders, the Club de Madrid, and the IPPR Pandemic Preparedness Panel show how a tightly held core of eminent figures can generate legitimacy, narrative authority, and political access, while remaining flexible and responsive.

Initiatives such as the Global Commission on HIV and the Law, Lancet Commissions, and the Global Commission on Adaptation, meanwhile illustrate how narrative, evidence, and political strategy can be integrated. These efforts combine authoritative analysis with compelling communications and targeted engagement of governments, UN agencies, and civil society, enabling framing shifts that translate into policy change.

Global South–anchored coordination models, including the South Centre, Third World Network (TWN), G77 task groups, and ACET Pan-African coalitions, demonstrate the importance of legitimacy rooted in Southern leadership and lived policy experience.

Discussions with partners leading a range of initiatives across the world also brought to the fore recurring constraints: fragmented amplification, limited narrative infrastructure, and weak cross-regional linkage.

Several initiatives provide strong process and architecture lessons. The Helsinki Process offers a near-ideal "core + friends + action groups" model, balancing strategic direction with distributed ownership. The Global Partnership for Effective Development Cooperation (GPEDC) shows how broad partnerships can function without rigid hierarchy. Networks such as the Eldis Knowledge Brokers Network and the International Resource Panel (IRP) illustrate how distributed intelligence and expert communities can be mobilised without heavy institutionalisation.

Finally, we reviewed sector-specific convening platforms such as the OECD Global Forum on Productivity and UNIDO Industrial Policy Advisory Groups, which demonstrate the value of technically strong expert clusters – and the limits when not sufficiently reinforced with political narrative and coalition-building.

Across these diverse examples, three consistent lessons emerged:

- Influence comes from combining narrative authority, coalition coherence, and political timing.
- Effective coordination cannot be purely technical; it must be politically intentional and strategically sequenced.
- The most durable initiatives build light but resilient infrastructure – small cores, wide networks, and time-bound action – rather than permanent, heavy bureaucratic structures.

Expert consultation

Across a range of expert consultations, a strong consensus emerged that the greatest obstacles to advancing green industrial policy today are political and narrative. Experts consistently emphasised that there is no shortage of high-quality research on industrial policy, development finance, or green transformation. The problem is that this knowledge remains fragmented, overly technical, and insufficiently translated into arguments that resonate with political leaders, finance ministries, editors, and influential economic actors. What is missing is not evidence, but synthesis, framing, and political usability.

A second recurring insight was the absence of shared political spaces that cut across silos. Current debates on green industrial policy tend to be segmented – separating economists from diplomats, civil society from business, national policymakers from global advocates. Experts highlighted the need for connective platforms that bring these actors together around concrete political questions, enabling coordination, trust-building, and alignment across regions and sectors. Without such spaces, even strong national efforts struggle to influence international rules and institutions.

Several contributors stressed the importance of engaging power directly, rather than treating it as external or hostile. This included engaging reform-minded political leaders, senior officials, and influential economic actors who see themselves as acting in the national interest, even when their assumptions may be misaligned with long-term green and inclusive transformation. Shifting the centre of gravity on green industrial policy requires persuading these actors, not bypassing them, and equipping them with narratives that link national ambition to global reform.

Experts also underscored the strategic role of smaller and mid-sized countries. While large economies shape global agendas, smaller reform-oriented countries can often move faster, experiment with new approaches, and act as political proof-points. Coordinated action by a handful of such countries can exert disproportionate influence on multilateral institutions, particularly when backed by credible narratives and cross-regional solidarity.

Finally, there was broad agreement that timing and political windows matter as much as substance. The current period of geopolitical flux, weakened orthodoxies, and leadership transitions creates openings for reframing the rules of trade, finance, and development. GRIP's value, experts argued, lies in being agile and catalytic – helping align narratives, coalitions, and moments of opportunity – rather than building a permanent technical apparatus or duplicating existing research networks.

Findings

Our research revealed a landscape that is rich in expertise and activity, but fragmented in ways that limit political impact.

1. **Narrative leadership exists but is dispersed.**

A number of research institutions – especially those which are Global South-led and within critical political economy traditions – have developed strong intellectual critiques of extractivism and compelling visions of productive transformation. These contributions carry vital legitimacy and depth. At the same time, research institutions mostly have insufficient reach into large non-specialised audiences. There is not yet the extent of coordination needed across regions, nor translation into formats that would travel easily into political debate, media, and multilateral forums.

2. **Advocacy on international barriers is siloed.**

There is deep expertise on specific policy constraints – trade rules, intellectual property, subsidies, finance, and debt – often led by individual experts or issue-specific campaigns (for example around TRIPS or climate finance). However, these efforts are not yet closely connected to one another, and not yet consistently framed as part of a broader industrial policy challenge. The absence of connective tissue means that structural barriers are addressed piecemeal rather than as a whole.

3. **Political champions exist but are under-mobilised.**

Senior figures – former ministers, officials, and diplomats appear episodically, bringing legitimacy and reach, but are not yet consistently organised around green industrial policy as a political project, nor embedded in a sustained strategy to influence global rules of trade and finance. Leadership remains uneven.

4. **Regional initiatives are gaining momentum but remain disconnected.**

Important work is underway on regional cooperation – particularly around critical minerals, value addition, and industrial upgrading – across Africa, Latin America, and Asia. Yet these initiatives are not yet strongly linked to one another or clearly channelled into global processes where rules are negotiated. Narrative support is limited, and political leverage is diluted by the absence of cross-regional alignment. In particular, the links between Africa and Latin America and the Caribbean could be deepened in terms of increased dialogue and joint-engagement on key issues.

5. **Research on international constraints is substantial but poorly translated.**

Academic and policy research has generated detailed analyses of trade rules, conditionalities, development finance, and policy space. However, the packaging of this knowledge is too often limited to academic or technical audiences rather than for generalist policy-makers navigating live political constraints. There is not enough curated, advocacy-ready mapping that helps governments or allies act strategically.

6. **Communications capacity is thin and uneven.**

Thought leadership appears through scattered blogs, panels, and op-eds. Without a sufficient communications infrastructure for South-led narrative amplification, Global North actors continue to dominate digital visibility, shaping how debates are framed and who is heard.

7. **Governments facing pushback are largely on their own.**

When Global South governments pursue ambitious industrial strategies, they often confront resistance from lenders, markets, or international institutions without access to rapid, collective backing. Existing solidarity networks are limited in scale and speed.

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